Our Mission:
To harness the private sector to address the chronic shortage of low income affordable housing.

July 2023

Re: Inquiry into the rental and housing affordability crisis in Victoria

To whom it may concern,

Housing All Australians supports the Legislative Council Legal and Social Issues Committee inquiry into the worsening rental and housing affordability crisis in Victoria. But is does so with the hope that any recommendations consider the entire housing continuum, the hope and aspirations of all Australians, and that recommendations are instructive with short, medium, and longer term objectives.

Australia's, and Victoria's, housing crisis is not governments problem to solve alone. It is our collective problem. And, therefore, needs our collective contribution to solve.

Housing All Australians is a for purpose Public Benevolent Institution (DGR1) that unites Australian businesses to help end homelessness by pursuing practical solutions to help address Australia's chronic shortage of public, social and affordable housing. We examine the economic impacts of housing and homelessness and view homelessness as an economic issue, not just a social one.

Housing affordability, housing stress, the lack of affordable housing for key workers, the lack of sufficient public and social housing, and the resulting increase in homelessness, is set to create a significant social and financial burden for Australia. We must build more homes, which is why we've created a number of affordable housing solutions, both short term, including our innovative Pop Up Shelters (re-purposed vacant buildings used to provide transitional accommodation), and medium-term solutions like our Progressive Residential Affordability Development Solution (PRADS) affordable housing model.

We also want to ensure the Australian public understand the long-term economic consequences to future generations if we do not house all our people, rich or poor. This is why we have commissioned, and are releasing, a number of economic reports, under the *Give Me Shelter* series, which explores the long-term costs to Australia of not properly, and strategically, dealing with its housing crisis.

Our first report, which was released in June 2022 and was an Australian-first, was an economic study into the long-term costs to Australia of not providing sufficient public, social and affordable housing. The report showed that on top of what we pay today, the additional cost to Australian taxpayers will reach $25 billion annually by 2051 if we do not build the required housing our country needs.

The report shows that Victoria alone could generate $7.8 billion in cost savings through greater investment in more affordable housing options, including more public and social housing. With a cost benefit ratio of 3.3 to 1, the business case behind Victoria investing in the housing our community needs is a no-brainer and exceeds the cost-benefit ratio used to justify many of our infrastructure projects.

Our second report, released in May this year, started to break down the $25 billion into specific cohorts and examined the costs to Australia of Veterans homelessness which in itself will cost an additional $4.6 billion by 2031. Both reports are attached for your information to this submission.

The *Give Me Shelter* series of reports clearly demonstrates the business case for greater investment in public, social and affordable housing. If we are not able to make the required investment to mitigate these long-term costs, future generations of taxpayers will not be able to afford the exponential growth in these costs, which will ultimately result in a watering down of the Australian values we cherish today because we will not be able to afford the support structures we have today. Australia is heading towards a lose-lose scenario if we do not take affirmative action.

This submission outlines a number of private sector-led initiatives that are currently underway. By working collaboratively with HAA and our supporting businesses, their implementation could be accelerated by to make an immediate impact on helping to solve Australia's housing crisis.

Some of these initiatives have already been publicly submitted to both Federal and Victorian Inquiries into homelessness with both independent committees encouraging further exploration of our initiatives by both the Federal and Victorian governments. We hope the contents of this submission form the basis of further discussions.

Yours sincerely,

[redacted]

Robert Pradolin
Founder, Housing All Australians
[redacted]

Housing All Australians

An economic platform for a prosperous Australia

July 2023

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ABOUT HOUSING ALL AUSTRALIANS (HAA)

Housing All Australians (HAA) is a business-led initiative looking at housing and homelessness through an economic and social lens. Our partners include businesses and organisations concerned about the increasing level of homelessness, and how the lack of housing will impact the economic and social future of Australia.

OUR VISION

An Australia where everyone has a stable place to call home whether they are rich or poor.

OUR MISSION

To harness the ability of the private sector and collaborate to address the chronic shortage of low-income affordable housing.

OUR DIFFERENCE

Unlike most housing charities in Australia, HAA is a private sector, business-led initiative examining the economic impacts of housing and homelessness. We challenge the status quo to bring sensible and meaningful change to existing government policies at a local, state, and federal level – on behalf of future generations of Australians. We do not expect government to solve this challenge alone. HAA is a conduit for values-aligned private-sector organisations that want to help vulnerable Australians.

INNOVATION

HAA thinks outside the box by developing new solutions to existing problems, including "Pop Up Housing" or 'Meanwhile Use" buildings, which innovatively re-purpose vacant buildings into temporary housing for those facing homelessness. We work in partnership with service providers who do not have access to sufficient homes for vulnerable people.

Our Pop Up Housing is a short-term solution providing temporary crisis housing, but we need permanent solutions. Australia must build more homes, which is why HAA has also created its own private sector driven affordable housing solutions and with PEXA, will create Australia's first Affordable Housing Register. Our Progressive Residential Affordable Development Solution (PRADS) combined with the Affordable Housing Register, will unlock private sector capital to provide affordable housing, at below market rents, and allow local government to monitor compliance of all stakeholders through the AHR.

LEAN AND EFFECTIVE

Launched in 2019, HAA is a "virtual" organisation that has PBI and DGR1 status but no physical office. HAA is now established in every state and territory, (except the NT at this point in time) and is currently 100% volunteer-led with pro-bono support from the private sector.

WHY HAA EXISTS

Historically, discussions about affordable, social, and public housing, have been perceived as largely a social issue championed by charity and not-for-profit (NFP) organisations. HAA exists to facilitate a private sector voice and shift the discussion around public, social and affordable housing away from its perception as being "just housing", towards its true economic impact on Australian society. Just like roads, schools, or hospitals, HAA sees public, social and affordable housing as fundamental economic infrastructure that provides the foundations for a future prosperous Australia.

HAA is a private sector initiative and a "for purpose" organisation that views housing and homelessness through an economic lens. It is repositioning the housing discussion as both an economic and social issue for Australia. Given the scale of the required investment, identified in the NHFIC 2021 Review as $290 billion, unless the solution is economically viable for the private sector to deliver, it will ultimately never drive the production of new housing stock that is so badly needed to mitigate the trajectory that Australia is currently on.

WHAT WE DON'T DO

HAA does not provide wrap-around homelessness services to those in need. We partner with DGR1 support agencies such as the YWCA, Bridge It, Uniting and Salvation Army and many others who provide the vital support services vulnerable Australians need. We focus on bringing private sector organisations together to fit out vacant spaces, try new ideas, and create alternative housing models to unlock new housing supply.

THE ECONOMIC BUSINESS CASE BEHIND HOUSING ALL AUSTRALIANS

Provision of social and affordable housing infrastructure is necessary to protect vulnerable households from poverty, to build productive economies with good access to essential workers, and to create better neighbourhoods characterised by diversity and inclusion.

The 2021 National Housing Finance Investment Corporation (NHFIC) review by Chris Leptos (AO) quantified the shortfall on housing investment at $290 billion. This is a national issue with significant repercussions across Australian society. It is too great a crisis for government to solve alone.

Business, our superannuation funds, and the general community need to be educated on the trajectory Australia is heading, and importantly, engaged to help create an investment pipeline and build more homes. Australia's superfunds need to be encouraged to redirect billions of dollars currently invested in housing people in other countries, back into housing Australians. To achieve this, the superfunds need to achieve a reasonable return for the risk.

GIVE ME SHELTER

Last year, we released our ground-breaking first report in our *Give Me Shelter* economic study series, helping to inform the Australian public about the long-term economic consequences of underproviding affordable housing (see Attachment F).

Our *Give Me Shelter* report clearly demonstrates the underlying business case for greater investment in social and affordable housing. The provision of social and affordable housing infrastructure is necessary to protect vulnerable households from poverty, to build productive economies with good access to essential workers, and to create better neighbourhoods characterised by diversity and inclusion.

The study highlights how decades of underinvestment by governments in "non-market led" housing has seen social housing numbers fall to record lows - just 4 per cent of national housing stock, compared with 6 per cent in 1996. Over the same time period, the nation's population has risen 25 per cent, placing added stress on an already stretched housing market.

Importantly, the study found the national cost-benefit ratio of investing in more affordable housing was double the cost outlay – for every $1 invested the taxpayer would on average receive $2 in cost savings – with the study noting this was a better benefit-cost return than many other major infrastructure projects, including the Brisbane and Melbourne metro projects.

Underinvestment in initiatives to securely house those in need increases costs to society through poorer health and employment outcomes, greater criminal behaviour, and less diverse communities. If we do not invest and create the addition public, social and affordable housing our country needs, the first *Give Me Shelter* report calculated that the additional cost to future generations, by 2032, will reach an additional $25 billion PA.

OPTIONS TO ADDRESS INSECURITY, AVAILABILITY AND AFFORDABILITY ISSUES FACING VICTORIAN RENTERS

The homelessness we see on our streets is the canary in the coalmine of a much greater issue with our housing continuum. Homelessness is ultimately a housing problem and Victoria must build more homes, and we know this will take time. This is why Housing All Australians has created short, medium, and long-term housing solutions, including our innovative Pop-Up Shelters: re-purposed vacant buildings used to provide short term transitional accommodation.

The housing crisis creates a need for new and innovative affordable housing models (both rental and shared equity) to facilitate the funding, development, management, and ownership of affordable housing by the private sector. Whilst the Community Housing Providers (CHP's) play an important role, any scalable solution needs to activate the private sector. To produce more housing, Australia needs a shift in thinking to create new models to address the unaffordability that is present throughout the housing continuum.

Because we cannot "turn on a tap" and build more homes, we need some short term solutions that provide access to a level of supply to help those most vulnerable. Pop Up Shelters or 'meanwhile use' accommodation is one innovation that could be considered as one of the short term and immediate solutions that can be done nationally, while we wait for the new homes to be built.

POP UP HOUSING – short term solution

Thousands of buildings across Australian cities stand vacant awaiting their next redevelopment. Often these buildings are fully serviced yet lay idle. Leaving these buildings empty while thousands of Australians experience homelessness is a wasted resource.

One of Housing All Australians' short-term housing solutions is to use these buildings as "Pop Up Shelters". The first building we refurbished that had been sitting vacant for two years was a 52 room aged care facility in Melbourne: Lakehouse. With the goodwill that exists in the private sector, we refurbished 32 rooms with Metricon and their subcontractors. Over the next four years, the YWCA - we always give the building to a not-for-profit service provider that provides the support services - has helped 125 women stabilise their lives, at no capital cost to the government. Hansen Yuncken (1st tier builder) is currently undertaking the refurbishment of the remaining 20 rooms, pro bono (see case study in Attachment A).

We are activating goodwill that exists in the private sector, to do this in every state and territory. We have another four projects in Melbourne underway, and two in Perth, with many more in planning. Whilst "Pop Up Shelters" are not a long-term solution, they do provide an immediate response, by the private sector, in providing shelter to the not-for-profit sector that is in desperate need for immediate access to more homes. We need some short term solutions because building the additional homes our country needs will take decades.

With the collaboration of an appropriate social services support agency, HAA knows many of these buildings can be re-purposed for short-term shelter and used as crisis or transitional accommodation.

In addition to Pop Up Shelters, we have developed medium term solutions like our Progressive Residential Affordability Development Solution (PRADS) affordable housing model to increase availability of both affordable housing, both rental and shared equity.

Along with our PRADS model, we've are also advocating for a macro economic reform which will allow *Progress Payments for High Rise Construction – The Singapore Model*, to be made to facilitate the construction funding and reduce finance costs to consumers (see below).

We also highlight the significant lands owned by a number of church group, which could be used to build more affordable and social housing but done under a land lease model and therefore will still ultimately remain in current ownership.

PRADS MODEL – medium term solution

While the genesis of the PRADS (Progressive Residential Affordability Development Solution) model was to create affordable rental housing driven by local government and the value aligned private developers, the principles used can also be applied to create a shared equity alternative.

In an *Inquiry into Homelessness in Victoria* which was conducted in 2021, HAA presented several of its initiatives including its Pop Up Housing and PRADS model. In its final report tabled in March 2022 (see Attachment B), under Recommendation 43, the State Committee recommended:

> *That the Victorian Government engage with relevant stakeholder groups to assess how pop-up housing proposals could contribute to transitional housing options in Victoria. In conducting such an assessment, the Victorian Government should consider whether these proposals meet appropriate governance standards and the appropriateness of offering support of temporary land tax concessions for organisations participating in the scheme.*

Since this Inquiry, HAA submitted a further paper to the Victorian Treasurer which resulted in an agreement to pilot a land tax exemption for buildings used for temporary Pop Up shelter (see Attachment C for the front page The Age story). This is currently on foot with a test site being recently identified.

At the Federal Government inquiry into Homelessness (July 2021), HAA presented its initiatives, including the PRADS model. In its final report tabled under Recommendation 30 (see Attachment D), point 4.252, the Federal Committee recognised the opportunity presented by HAA and stated:

> *"The Committee heard about innovative proposals such as the PRADS model, which seeks to attract private-sector investment in the construction of social and affordable housing. While the PRADS model involves local governments negotiating with developers, the Committee considers there is a role for the Australian Government to assist in the facilitation of its viability at a national scale"*

Within the City of Meri-bek, Nightingale Housing's North Coburg development project used the principles of the PRADS model to achieve two density outcomes within the same Planning Scheme Amendment, which related to an increase from 5% to 15% affordable housing, by allowing an increase an increase in density (which created additional value in the land) and the additional value created, is to be used as the subsidy funded for the affordable housing. This allowed the City of Merri-bek to increase its affordable housing outcome without the need for any government subsidy (see Attachment E).

<u>PRADS model (rental)</u>

The PRADS model (rental) targets a proportion of households experiencing rental stress that are not currently housed through state provided housing and registered housing agencies – *i.e. affordable housing <u>not</u> social housing*.

PRADS model (rental) creates privately-owned rental housing, rented at below-market rents to tenants or households that fall within prescribed low-moderate income brackets. The obligation is secured by a legal instrument registered against the title for the property.

The process is summarised as follows:

1. The developer and local government agree to work collaboratively to maximise the allowable planning outcome on the site. Based on the additional value created, they negotiate, in good faith, the number of affordable dwellings that can be financially supported by the development and the percentage below market rent for which those dwellings can be rented in exchange for that planning outcome.

2. The obligation to rent the dwelling at the agreed percentage below the market rent for the agreed time period is secured by way of a legal encumbrance registered against the title.
3. The developer is then able to sell the dwelling to investors (at a lower price due to the lifetime encumbrance) in the private market with an obligation for the investor to comply with a robust governance process.
4. Through an approved property manager, the investor then rents the dwelling to eligible tenants.

The PRADS model (rental) is scalable with the potential to create a significant supply of long-term affordable private rental housing without the need for any ongoing government subsidy.

This model can work and is applicable for apartment projects and land subdivisions. It works on the commercial principle of value sharing some of the uplift created through the planning process. While still in its infancy, the model has already gained support from sectors of the property industry, the banking sector, superfunds and public tenant groups.

One of the intrinsic requirements to allow the PRADS model to be implemented nationally, and at scale, is the requirement of ensuring that all stakeholders comply with the agreed obligations. This is why HAA, and their industry partner PEXA, are developing an Affordable Housing Register which will allow councils to monitor for compliance (see below)

<u>PRADS model (shared equity)</u>

The PRADS model (shared equity) can also be used to help qualified participants into home ownership. It is based on the same “value sharing” principles as the PRADS model (rental).

By working with Local Government, the developer creates additional value which becomes the shared equity component for the affordable housing. Rather than being rented at a below market rent, the dwelling becomes a shared equity opportunity where HAA (as a DGR1 and PBI) holds the patient equity for a set period time, say 10 years, after which time the owner is required to refinance and purchase the remainder of the home.

At this point, HAA receives its portion of the property value (including the capital gain), which <u>must</u> then be reinvested into affordable housing within the same Local Government Area (LGA).

In simple terms, HAA is the shared equity participant with the homeowner for the 10-year period.

THE AFFORDABLE HOUSING REGISTER (AHR)

With governments at all levels funnelling affordable housing through the Community Housing Providers (CHPs), another unintended consequence results. Rightfully or wrongfully, due to negative perceptions and potential impact on market sales and rental yields, most developers do not want their project associated with "affordable or social housing" due to the current negative market sentiment. To move towards an "at scale" solution that includes the critical participation of the whole development industry, Housing All Australians developed the PRADS model as described above.

This model uses the governance structure established by the National Rental Affordability Scheme (NRAS) which was introduced by the Rudd Government during the GFC to stimulate private sector construction activity. Whilst several aspects around NRAS have been highly criticised, it did demonstrate an interest from the market of investing in affordable housing. NRAS offered the market a mixture of tax incentives and cash payments that enabled investors to commit to offer the property at 80% of market rent to qualifying key workers for a 10-year period.

In formulating the PRADS model as an "at scale" solution encouraging private sector capital into affordable housing, a fundamental requirement was to establish a credible and robust alternative to the Housing Registrar in terms of ensuring appropriate oversight over the affordable housing to ensure it remained affordable. This led to the development of a digital Affordable Housing Register (AHR).

The AHR will provide a centralised platform that records all affordable housing obligations and will enable local government to monitor the compliance of all stakeholders over the life of the commitment. It will ensure that developers, investors, owners, and tenants are undertaking their compliance obligations in accordance with agreed parameters.

In developing the AHR, it is acknowledged that for an "at scale" solution, local government does not have the resources to oversee all these commitments. Therefore, the AHR will be kept "management light" via the use of AI, with local government only being notified when non-compliance is detected. To ensure the AHR is functioning as intended in line with the approved governance process, the AHR will also be subject to an annual audit.

As a continued sign that the private sector sees the enormity of the problem and that it will require the involvement of the entire society, including business, not just government, the ASX-listed PEXA have agreed to build the AHR for HAA to implement nationally.

Development workshops have been underway for several months with the involvement of the Victorian Valuer General, local government and the development industry to ensure the brief has input from all stakeholders. The AHR will be completed by the end of 2023 and is scheduled to be announced by PEXA and HAA in the coming months.

The potential role of NHFIC, HAA and the PRADS models (both shared equity and rental)

An [independent review of NHFIC] was completed by Chris Leptos AM and made publicly available in October 2021. The review tabled a set of recommendations to the Federal Government including Recommendation 5 which stated that:

> *"The Review recommends that NHFIC's Investment Mandate be amended to extend NHFIC the ability to lend to other not-for-profit providers of social and affordable housing that are not registered community housing providers, where it is satisfied that the risks of doing so are manageable."*

Recommendation 5 was not accepted as, in our view, there was no mechanism that will allow the monitoring of compliance obligations that would come with such funding, as only CHP's are governed by the Housing Registrar.

With the introduction of the AHR and its ability to monitor compliance of all stakeholders, Recommendation 5 could be reconsidered the Federal Government, which would see NHFIC's remit extend to NFP organisations like HAA and Nightingale that are focused on providing affordable housing.

Should this recommendation be adopted, this would be a game-changer in terms of activating private sector capital to the provision of social and affordable housing. HAA would fully endorse NHFIC's remit, along with a robust governance framework, should this recommendation be extended to NFP providers like HAA in the delivery of both a shared equity and rental model.

PROGRESS PAYMENTS FOR HIGH RISE CONSTRUCTION - THE SINGAPORE MODEL

The objective of this initiative is to explore a new way to fund apartment developments in Australia that will ultimately lower the finance cost to consumers. This is particularly relevant at present and will become even more so as interest rates move higher.

This initiative works by utilising the funding principles behind the traditional House and Land Package and applying them to vertical apartment buildings. This will ultimately involve banks becoming comfortable in securing their interest via a charge over the pre-sale contract and a caveat on the title of the development site. Australian banks have already become accustomed to lending on a similar basis in Singapore, and it's time to bring this approach to Australia.

Outline of the micro economic reform

In Singapore, a statutory provision exists for progress payments to be made to a builder by banks funding an individual purchaser during construction of a high-rise building. This lowers the cost of finance as the purchaser borrows as a mortgagor of residential property (at an interest rate much lower than the rate for development finance) and on a full recourse basis. Access to this funding in the early phases of a project reduces or can remove entirely, the need for the developer to obtain project finance.

This differs from what currently happens in Australia where the developer secures a development loan from a bank (at a higher cost due to the risks involved including possible settlement defaults), engages and pays the builder, and only receives payment when the project is complete and titles to the apartments are issued. To the extent that the equity needed by the developer for a project can be reduced, the requirement to generate a return on that equity is also reduced.

By receiving progress payments during construction, development risk is minimised, finance risk is reduced, and interest costs are lowered. Ultimately, this should lead to cost savings for an end purchaser. It also protects the purchaser from a negative change in market conditions (and the need to contribute further equity) as their individual loan is locked in when construction commences. This avoids the current dilemma facing purchasers where, in a declining market, the banks are requesting additional funds (more equity) to be contributed by the purchaser to make up the shortfall between the current market value of their purchase and the face price of the original contract of sale which was executed (with bank approval) years earlier.

<u>The current market</u>

Under the Singapore model, the additional risks faced by each individual bank providing a mortgage to individual purchasers is mitigated by:

- the developer needing to be registered and carry developer insurance;
- a requirement for the developer to maintain a specified surplus of assets over liabilities;
- requiring an obligation to be secured under section 7.4 of the Environmental Planning and Assessment Act 1979 (NSW), which requires that the land be used only for the project;
- setting up a regulatory authority to protect the interest of the purchasers in the event of failure of the developer;
- requiring the sales prices of the apartments to be backed by a professional valuation expressed in favour of the purchaser and the mortgagee;
- increasing the deposit paid by the purchaser and allow the mortgagee to require that the deposit be used first before the mortgagee advances any funds;
- requiring the project account to be maintained with a minimum balance and withdrawals closely supervised, or managed through a Trust similar to the QBCC's "Project Trust Account Framework" which is already in operation;

- requiring the presale contracts to contain a condition requiring the developer to enforce the building contract when it comes to defect rectification for a period of 12 months; and
- requiring the project account to remain open until all defects are rectified.

The above indicates a highly regulated environment with a focus on consumer protection. It does involve a level of governance to oversee the process, but it also initiates a requirement for the registration of suitably qualified developers, helping to ensure unqualified developers can't access what may be considered a highly lucrative funding model. This should result in a professional and consumer-focused approach by the qualifying developers.

A LAND LEASE MODEL

Build-to-Rent is an obvious solution to our housing crisis. However, with high land costs the current Built-to-Rent market is skewed towards the very high rental range. However, if the government moved towards a land lease model and provided government land on a 40-year lease with a peppercorn rent, the financial metrics significantly change, and the introduction of affordable housing becomes possible without using government funds. The investor only needs to get a return from the capital invested and if this does not include funding the land, then these costs can go towards subsidising the rents for key workers. After 40 years, if the land is needed for other strategic purposes, the government gets the land and improvements back in public ownership.

This land lease model can also occur on federal government land (i.e. the Maribyrnong defence land in Victoria) with the added benefit that, being Crown land, it does not need approval through the traditional planning process. This concept could also apply to land owned by church groups that are asset rich, but cash poor.

Housing All Australians

THE IMPACT OF THE HOUSING SHORTAGE ON KEY WORKERS

Along with the current labour shortage, the lack of affordable housing for workers, particularly in our regions, is a growing concern for business and has impact across the economy.

We believe that engaging business to help solve local housing supply is key to ensuring Australia's economic growth aspirations are met.

We know that businesses – especially rural ones – are increasingly feeling the impacts of the housing crisis. Employees are struggling to find affordable accommodation close to work. *Give Me Shelter* outlined that employers in particularly vulnerable industries – like hospitality and retail – anecdotally recognised the impact of housing affordability on recruitment, reliability and retention.

In Sorrento, on Victoria's Mornington Peninsula, one business consortium is tackling the crisis by building their own accommodation for workers at the vacant Sorrento Lodge. The redevelopment is an important initiative addressing the severe undersupply of quality accommodation for local job seekers.

Providing quality affordable housing for up to 77 people and a live-in onsite manager, Sorrento Lodge will offer both short-term and long-term and stays of up to one year. Guests will pay $35-$40 a night, with rooms offering two single beds, and with private ensuites and BIRs.

The consortium, which includes the Trenerry Property Group, Victor Smorgon Group and Kanat Group, are passionate about supporting the local economy and boosting employment across key local industries, including tourism, hospitality, health care, construction and manufacturing.

There are many more examples like this around Australia where business is coming up with solutions, but it requires the collaboration of local governments to deliver suitable housing options for key workers.

ANY OTHER RELATED MATTERS

ENDING HOMELESSNESS PILOT - TASMANIA - a longer term perspective

At HAA, we believe it's time we stop looking to government alone to fix this escalating problem. It's everyone's problem now, including business.

We recently supported the draft Tasmanian Housing Strategy to address the state's growing housing crisis. However, we believe its target of 10,000 homes by 2032 should be supplemented with the bold public ambition to end homelessness in Tasmania. With its current waiting list at approximately 4,500, Tasmania is the only Australian state with a public housing target set at more than its waiting list.

By working together with the Federal Government and establishing the bold initiative of "ending homelessness in Tasmania" as a national project, Tasmania could become a pilot for Australia. By investing in enough housing to end homelessness, Tasmania could be used as a test bed and measure the strong underlying economic benefits, and underlying business case, of investing in housing as a preventive measure which, if implemented nationally, would save future federal, state and territory governments (read taxpayers) significant budgetary costs and set an example for others to follow. Solving the housing crisis in Tasmania could help every state and territory avoid long-term expenses, ensure societal stability, and foster sustainable growth.

We are confident that Tasmania is in an excellent position to undertake a pilot with the bold vision of ending homelessness. Business already uses Tasmania as a testing ground for products, why not test housing policy?

The Federal Government's Housing Affordability Future Fund aims to allocate investment earnings to support affordable and social housing initiatives. While commendable, we need to be bolder and ambitious and we urge the Committee to recommend to the Victorian Government that it be the first State to support, in the national interest, that the Tasmania be supported in targeting to end homelessness, so that the economic and social benefits can be measured for future input into the policies of state and territory governments. It would demonstrate that this Committee is also considering the "greater good" and are doing so on behalf of all Australians.

The time for waiting is over. Our grandchildren, and their children deserve a better future than what we are currently going to leave them.