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27 June 2023

Tasmanian Housing Strategy  
Chief Executive Officer  
Eleri Morgan-Thomas  
Homes Tasmania

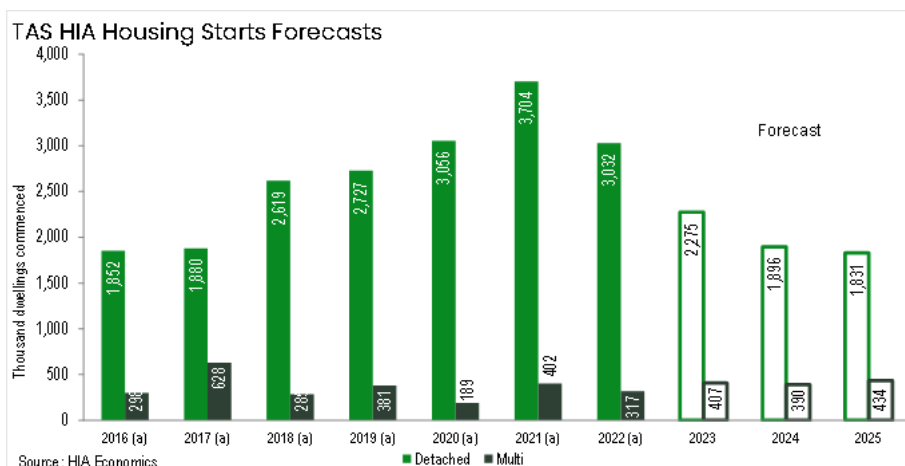
Via email: [tasmanianhousingstrategy@homes.tas.gov.au](mailto:tasmanianhousingstrategy@homes.tas.gov.au)

### HIA Submission on the *Tasmanian Housing Strategy Exposure Draft*

Thank you for the opportunity to meet with you and discuss the *Tasmanian Housing Strategy Exposure Draft* (draft THS) in April. HIA appends to this letter, our last submission to you on the draft THS prior to public release.

HIA welcomes inter-governmental collaboration and consultation with the residential construction industry on major policy reform that supports the delivery of new housing, particularly at the social and affordable end, through streamlined approval and cutting of red tape in the planning system.

In addition to our submission, we met with you at the end of May to discuss the scope and ability of the Tasmanian residential construction industry to service the rising demand for housing. It currently remains unclear how many homes Tasmania will actually have the capacity to commence in the coming years. If not adequately addressed, pandemic induced materials/labour shortages coupled with shortages of shovel ready land, are likely to impact delivery of the 10,000 social and affordable homes over the ten year target.



However, there may also be an opportunity created by the short-term decline in private residential construction activity, for Homes Tasmania to engage these builders to undertake more work in social and affordable space. While this is a positive, skills shortages are only one of the key constraints to housing supply, and more needs to be urgently done to remove the current blockages in the planning system (including provision for diversity in housing forms) and provide for strategic land supply, as identified by HIA in our earlier submissions.

Thank you for the opportunity to provide progressive comments throughout this consultation process. As always, we value your invitation to participate and collaborate directly with Homes Tasmania in relation to the draft THS.

Please do not hesitate to contact us if you wish to discuss the matters raised in this correspondence – Roger Cooper HIA Senior Planning Advisor (03) 9280 8230 or Stuart Collins 0418 507 377 or [s.collins@hia.com.au](mailto:s.collins@hia.com.au).

Yours sincerely  
HOUSING INDUSTRY ASSOCIATION LIMITED

A handwritten signature in cursive script that reads "Stuart Collins".

Stuart Collins  
Executive Director  
Tasmania

## Appendix

1 May 2023

Tasmanian Housing Strategy  
Eleri Morgan-Thomas  
CEO  
Homes Tasmania

**Via email: [eleri.morgan-thomas@homes.tas.gov.au](mailto:elери.morgan-thomas@homes.tas.gov.au)**

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#### About the Housing Industry Association (HIA)

The HIA is Australia's only national industry association representing the interests of the residential building industry, including new home builders, renovators, trade contractors, land developers, related building professionals, and suppliers and manufacturers of building products.

As the voice of the residential building industry, HIA represents a membership of 60,000 across Australia. HIA members are involved in land development, detached home building, home renovations, low & medium-density housing, high-rise apartment buildings and building product manufacturing.

HIA members are comprised of a mix of residential builders, including the Housing 100 volume builders, small to medium builders and renovators, residential developers, trade contractors, major building product manufacturers and suppliers and consultants to the industry. HIA members construct over 85 per cent of the nation's new building stock.

#### Background

It is acknowledged that the Tasmanian State Government's (led by Homes Tasmania) draft THS provides a comprehensive framework for addressing the need for increased housing supply for all Tasmanians, in what is expected to be a strong period of steady growth in the next decades.

HIA provided a response to the THS *Discussion Paper* in October 2022, primarily urging Government to address blockages in the **planning system** and those caused by insufficient **land supply/release**, to

enable a guaranteed pipeline of fit-for-purpose development to meet the growing demand for new housing. This is in both infill and well serviced greenfield areas.

In recent submissions to various Government departments on *planning* and *growth* related strategies, HIA has constantly petitioned for intergovernmental collaboration with recommendations that lead to consistent, supportive and effective **statutory policy** to enable achievement of the ambitious housing growth targets widely publicised in Tasmania.

Further to this, our comments are directed at what Government should to focus on next to ensure the draft THS is ultimately a success. It is therefore, generally consistent with what HIA outlined in our submission to the *Greater Hobart Plan 2050*, while building on some additional considerations following our meeting.

### HIA response to the draft THS

In summary HIA recognises the draft THS as an aspirational plan for the state to grow by approximately 38,000 dwellings and 80,000 new residents in the preceding 20 years.

It is recognised that demand for traditional home design (i.e. 3-4 bedroom single family homes) will be challenged by emerging housing typologies to service a diverse population mix. Many existing and new residents to Tasmania are increasing the demand for apartments, townhouses, low and moderate income key worker accommodation, over 55s and aging in place needs.

The draft THS acknowledges that while there is still strong demand for the traditional single family home ownership model, these diverse emerging housing needs must ultimately be fulfilled through medium to high density development in well serviced areas. This is likely to result in increased demand for private rental, build to rent models and affordable subsidised housing. However, more work needs to be done to integrate these housing products into the Tasmanian policy and planning framework, ultimately at scale.

At a high level the “themes”, particularly *one – more homes, faster built* and *– two affordability in the private market* are recognition of the next steps to take the strategy forward.

The Tasmanian ecosystem for residential construction is made up of planning and building codes, land supply, skilled workers, raw materials supply and manufacturing, that are combined factors in determining the capability to achieve housing demand. It is therefore, imperative that the correct statutory tools become an enabler to make a strategy effective and that they address each of the abovementioned factors individually and collectively.

In our submission to the *Greater Hobart Plan 2050* (GHP), HIA urged the Government to:

- Ensure the strategy includes and considers **appropriate public input** (reduce future incidences of “we were not given adequate say”).

- Secure **whole of government buy-in**, including council officers and elected councillors embracing growth along with major infrastructure authorities responsible for integrating new and upscaled services provision.
- Prepare all stakeholders (e.g. government, builders, suppliers, residents, neighbours) to **accept changes in housing preferences** that are intrinsically linked to future urban renewal and regeneration strategies.
- Continue to support an element of growth in the peri-urban/fringe regions of Tasmania (i.e. **greenfield growth**) that can contribute to the housing mix, including more traditional single family homes, along with some small lot and medium density product.
- The inclusion of robust **integrated transport oriented planning**, that will ultimately determine the strategy's success. This includes reviewing statutory car parking requirements linked to development types and bedrooms. Car parking construction can add significant cost to development outcomes, so some discretionary inclusion can respond to affordability concerns.
- Workshop with industry including HIA, a **state-wide medium density housing approval framework** (including for apartments), that will create more certainty for applicants in the design and development of emerging house types referred to in the strategy.
- Consideration of what **third party appeal rights** should be moving forward, with the potential for delegations to reduce council and objector interference, where it can be demonstrated design is fully compliant with statutory codes.

These are all relevant to the next steps to be considered from the draft THS. We take comfort in the Government, Homes Tasmania and the Greater Hobart Committee considering the importance of these initiatives, and purported *private developer incentives* in bringing the Housing Strategy to life. We see potential to attract investment from our members in the "Private Rental Incentive" scheme, however, some adjustments would still need to be made. In the case of build to rent models, we encourage Government to review the mechanisms applied in NSW, Queensland and Victoria to incentivise this type of investment such as land tax rebates and discounts.

Further to our original written appraisal of both the GHP and THS, Infrastructure Victoria has conducted some extensive research into some potential policy options to encourage more residents to settle in established *infill* areas of Melbourne. In principle HIA supports the findings of this paper, but warns the Government against favouring 'destinations' that reduce the competitive advantage of a State (i.e. abundant pipeline of growth area housing).

Titled *Our home choices*, the research paper includes options that should be considered by Government/Homes Tasmania in consideration of the next steps towards implementation of the THS. HIA's review and comment on these options includes (but is not limited to):

- *Option 2: Reform state stamp duty* – stamp duty is an inefficient tax. It is punitive in nature and is another cumulative fee that effects housing affordability. While preferential to abolish stamp duty all together, HIA believes traditional stamp duty could be revamped to index thresholds that better reflect rising house prices, and have the concession increased for first home buyers.

- *Option 4: Improve government ‘shared equity’ schemes* – Tasmania’s home ownership support schemes, such as HomeShare and First Home Owner Assistance play an important role in helping more Tasmanians to enter the property market. This extends to the purchase rights of a Homes Tasmania rental property. In all cases, these schemes should avoid/lift caps and restrictions due to the rising demand for affordable homes in Tasmania. HIA considers these schemes should not favour destinations (i.e. established suburbs over greenfield locations, and vice versa) due to the imbalance in demand and supply created.
- *Option 5: Incentivise (and make accountable) new local housing targets* – the importance of local government accountability for housing targets should not be underestimated. The intent of “incentivise” needs to be explored along with what penalties local government should face, where they flagrantly resist and fail to meet the housing targets required keep up with rising demand.
- *Option 6: Prioritise and streamline housing significant projects* – Tasmania already has the ability for the Minister to call in housing significant projects, which somewhat balances the playing field for applicants. This could be taken further with regional Panels of Experts available to determine a significant housing application, guaranteeing an independent streamlined assessment.
- *Option 7: Targeted medium density residential code/zoning* – while this option is specifically designed to improve application conditions for low rise apartments in Melbourne’s middle ring suburbs, this can be facilitated in Tasmania via the application of a state-wide medium density/apartment code.
- *Option 8: Duplex development acceptable solution* – Tasmania’s planning scheme and housing supply targets could benefit from an ‘acceptable solution’ model for duplex or dual occupancy development. HIA would be willing to workshop with Government what this model could look like.
- *Option 9: Review mandatory car parking levels* – HIA supports reform to the planning schemes for how car parking rates could better serve residential development in the future. More discretion for car parking per project can reduce the build cost and re-allocate developable area for more diverse housing choice/design to suit emerging housing needs. *The Commons*, Hobart is an example of where the developer sought a car parking reduction in favour of more sustainable car parking options and more square meterage of living/commercial space.
- *Option 10: Encourage child-friendly design in apartment code* – things like flexibly designed apartments for aging in place, multi-generations, child-friendly and long term build to rent tenants should be considered as part of the commissioned apartment/medium density design code review. NSW and Victoria have done extensive work in this area and HIA is willing to be a stakeholder in this review process.

Finally, please find attached HIA’s guidance on the “one house one approval” model as discussed when we recently met. HIA understands Government sees value in such a model that reduces red tape in the planning system for approval of one dwelling on residentially zoned land.

Being required to obtain both planning and building approval for a single dwelling on residentially zoned

land creates issues for the timeliness of housing approvals, as well as additional design and application costs.

The efficiencies gained from relieving local government planners from single dwelling assessments could be reinvested in more complex planning matters, including multi-dwelling approvals that are urgently needed for Tasmania to reach its housing supply targets.

Thank you for the opportunity to provide comment at this initial stage. HIA would appreciate being consulted with regard to any further matters relating to the draft THS.

Please do not hesitate to contact us if you wish to discuss the matters raised in this correspondence – Roger Cooper HIA Senior Planning Advisor (03) 9280 8230 or Stuart Collins 0418 507 377 or [s.collins@hia.com.au](mailto:s.collins@hia.com.au).

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