

Date: 18 July 2023

Our Ref: 17.226

Mr Brad Kelly
Homes Tasmania
GPO Box 65
HOBART TAS 7001

Dear Mr Kelly,

Draft 20-Year Draft Tasmania Housing Strategy

Thank you for the opportunity to make a submission in relation to the Draft 20-Year Draft Housing Strategy.

The Housing Strategy is welcomed and is considered a positive move to address all types of housing in Tasmania. It describes some of the social and economic issues housing is framed within, including faster-than-expected population growth, an ageing population, changing market conditions, a rise in homelessness, childhood and youth development, family and domestic violence, and workforce and productivity challenges. The draft Strategy acknowledges the important role affordable housing plays in improving the health and wellbeing of Tasmanians.

The release of the draft Strategy is timely, as Kingborough Council at its ordinary meeting of 19 June 2023 adopted a Statement on Housing to demonstrate its commitment to facilitating safe, affordable, and accessible housing in Kingborough. Actions to implement the Housing Statement include:

- *Advocate for increased Tasmanian and Australian Government investment in social and affordable housing, and supported accommodation in Kingborough to meet the needs of our growing population,*
- *Work with developers and housing providers to facilitate the development of affordable, social, and accessible housing in Kingborough,*
- *Consider opportunities to increase housing in Kingborough, when developing or disposing of Council land,*
- *Encourage increased housing density in areas close to services, jobs, and facilities, through appropriate zoning, and*
- *Advocate for improved planning controls to facilitate affordable and social housing and supported accommodation.*

The draft Housing Strategy will complement the Kingborough Statement on Housing; however, it does not go far enough in providing clear direction to ensure that the outcomes sought by the Strategy will be achieved, and as such Council would like to provide the following suggestions for your consideration:

1. An implementation plan (even if pitched at a high level) and developed together with the Strategy would ensure that the objectives/outcomes of the Strategy are achievable and measurable over time. It would also assist in developing future iterations of the Strategy where necessary. It is understood that preliminary work on the implementation plan has commenced.
2. The draft Strategy acknowledges that collaboration between State Government, Local Government, and private industry is essential to deliver suitable housing options for the State, however the Strategy could have a stronger emphasis on State Government's role in providing a strong foundation in improving housing outcomes, through:
 - Investment, policy, legislation, and regulation changes to deliver greater housing diversity and increased supply to meet the demands of an increasing population over the long term,
 - Increasing availability of accurate and up-to-date housing and housing-outcome related data, projections, research, and analysis,
 - Monitoring targets and responding to shortfalls in supply through direct investment, project planning or planning intervention,
 - Assisting Local Government to establish and refine long-term housing targets to meet housing needs,
 - Establishing policies that align land use, transport, and infrastructure planning across the State to deliver improved services to communities to meet current and future needs; and
 - Building capacity, capability, and collaboration across all sectors.
3. The draft Strategy emphasises the importance of delivering affordable housing, primarily by Homes Tasmania. It states that the demand for social and affordable housing will continue to grow unless the private sector is encouraged to invest in and deliver quality housing supply, including affordable dwellings. However, it is unclear how this will be achieved. It may be appropriate for the Strategy to have a specific focus on exploring a voluntary incentive model, where new affordable housing is encouraged through the private sector. Examples are:
 - The Housing Plan for South Australia mandates that 15% of new dwellings in all significant development projects be affordable, including at least 5% for high-needs groups.
 - The City of Sydney has mandated an affordable housing component in specified zones. In these areas, developers either include affordable housing within developments or pay an affordable housing levy.
 - The ACT Government's Affordable Housing Action Plan requires that at least 20% of all new estates include affordable housing, implemented programs to support affordable house and land packages, and introduced a land rent scheme to reduce upfront costs for purchasers.

Options could also be explored to provide a bonus system that effectively relaxes specified development controls, typically density or parking controls, in exchange for constructing dedicated affordable housing. Similarly, there are jurisdictions in Australia and abroad that attract affordable housing by providing special treatment in the planning process through the reduction, exemption, or refund of application fees, infrastructure charges or rates. Unfortunately, the powers to levy infrastructure charges are currently isolated from the planning process in Tasmania, and as such monetary incentives are limited.

4. Currently, all States other than Tasmania have systems in place for implementing infrastructure charges, supported by state-level legislation. Each system varies in its scope and characteristics, but all are intended to ensure that development (especially urban growth) pays for its demand and impacts on public infrastructure. It is a key

mechanism for supporting local growth and development, which is why every other Australian jurisdiction has some form of state-legislated contributions system. It delivers multiple benefits to councils, developers, and communities alike. They support local growth and the development industry by allowing infrastructure to be properly financed and paid for by the beneficiaries. When properly integrated into sound infrastructure planning, contribution schemes support the timely delivery of the infrastructure that facilitates development. As mentioned above, it also provides a mechanism to incentivise housing initiatives with affordable housing options.

5. One of the aspects that has not been fully covered in the draft Strategy, is the implication of short-stay accommodation on the rental market. Over recent years, concerns have been raised about increasing approvals of short-stay accommodation and the potential impact on the availability of long-term rentals. Short-stay accommodation can include listing spare room/s within a primary residence; listing an entire home while the primary residents are away; listing a holiday home while not in use; or listing entire houses that would otherwise be used as long-term rentals. It is this final category that is of most concern in terms of the potential impacts on the rental market. While there have been a number of research reports produced on the impacts of short-stay accommodation in capital cities in Australia, there are limited reports and data on the impacts in areas outside of capital cities. The challenges associated with short-stay accommodation in regional areas are different from those in major centres (the issues relate to the lack of housing for workers in rural/remote and tourism areas), so it may be appropriate for the strategy to make that distinction.

In Tasmania, regulation of short-stay accommodation occurs through the *Land Use Planning and Approvals Act* and the *Tasmanian Planning Scheme*. In support of short-stay accommodation, Planning Direction Number 6 was issued by the Tasmanian Government in 2018 to reduce regulation on short-stay accommodation in Tasmania. This Direction makes it difficult for planning authorities to reject an application for a permit for visitor accommodation in existing buildings of up to 200sqm. Planning authorities have no ability to amend this Direction, with only the Tasmanian Government able to amend the provisions of the Tasmanian Planning Scheme.

Given rental availability and affordability issues, and the potential impact of short-stay accommodation in Tasmania, the State Government should be encouraged to not only make this data available in a timely fashion, but to undertake analysis of this data to determine the impacts of short-stay accommodation and what amendments may need to be made to the Tasmanian Planning Scheme in future. The above needs to be acknowledged in the Strategy and a broad strategic approach must be provided to reduce the loss of long-term rental properties having regard to the challenges in the planning system.

6. The social infrastructure section in the Strategy could be unpacked into specific objectives that will improve social connection, access to work, schools, public spaces, social services, safety, wellbeing, feelings of inclusion, and a sense of community (connectivity and accessibility may need to be explicitly addressed under 'health and wellbeing' where it relates to recreation and open space provision). This could include objectives to encourage flexible and innovative development that responds to changing needs of the population (for example, rejuvenation of existing neighbourhoods to accommodate changing housing needs and supporting infrastructure to accommodate population growth).
7. Similarly, the design section could reinforce the significance of promoting sustainability and resilience in our communities. There is a need to further strengthen and enhance the strategy to support environmentally sustainable design practices. Buildings that are well-designed and energy-efficient contribute to the overall sustainability and liveability of urban areas. They enhance occupant comfort, reduce energy consumption, promote

resource conservation, and positively impact the visual aesthetics and functionality of the surrounding environment. Please consider including minimum design objectives in relation to factors such as solar access, private open spaces, green building materials, and energy-efficient technologies.

If you wish to discuss the above, please contact the Council's Senior Strategic Planner, Adriaan Stander on (03) 6211 8210.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Gary Arnold', written in a cursive style.

Gary Arnold
GENERAL MANAGER