

# City *of* HOBART

## Feedback on the Tasmanian Housing Strategy Exposure Draft

# About the City of **HOBART**

The City of Hobart is the local government body covering the central metropolitan area of Lutruwita/Tasmania's capital city Nipaluna/Hobart.

The present-day council entity was legislated in 1852 with the role of Lord Mayor created in 1934.

As enshrined in legislation, the key function of local government is:

- To provide for the health, safety and welfare of the community;
- To represent the interests of the community; and
- To provide for the municipal area's peace, order and good government.

The City of Hobart delivers a range of services to over 56,000 residents and employs over 500 staff.

# Introduction

The City of Hobart supports the development of a Tasmanian Government Housing Strategy and welcomes the opportunity to provide feedback on the exposure draft. We believe there is an opportunity for collective action on this issue and are hopeful the strategy will set the foundation for the Tasmanian Government to strengthen its collaboration with local and federal government.

Housing availability and affordability is a key concern for the City and its residents. Our Community Vision and Capital City Strategic Plan highlight our focus on ensuring our residents have a diverse supply of safe, secure, and healthy places to live. It is therefore pleasing that the strategy exposure draft's vision is for a system that provides safe, appropriate, and affordable housing for all Tasmanians. We also welcome key principles within the draft including embedding housing considerations in policy decisions across government, as well as the 'housing first' approach.

Given the broad alignment in vision and in principle, this submission offers several points that should be considered in the finalisation and implementation of the strategy. Our submission below elaborates on the following key points:

- Every Tasmanian deserves the safety and security of a home, and all levels of government must coordinate to increase supply across the entire housing continuum
- The State Government should explore all options to optimise strategic land use planning including infill development, inclusionary zoning, and developer contributions
- All levels of government should collaborate to develop human-centred narratives that support positive perceptions around people in social housing and those experiencing homelessness
- Continuing housing unaffordability will have significant ramifications felt across society including attracting workers in sectors experiencing a shortage such as healthcare
- Local councils must have additional mechanisms to regulate the short stay accommodation sector to limit negative impacts on the private rental market

As the tier of government closest to community, local government has a key role to play in achieving the vision of safe, appropriate, and affordable housing, as well as in providing services for those who are experiencing homelessness. It is therefore critical that local government is closely engaged in the development of the actions plans to underpin delivery against the strategy.

# Summary of recommendations

That the State:

1. Implement a formal Mandatory Inclusionary Zoning (MIZ) mechanism into the *Land Use Planning and Approvals Act*.
2. Incorporate definitions of social and affordable housing into the Tasmanian Planning Scheme.
3. Undertake analysis to understand the extent of and reasons for delays between development approval and completion to determine whether more can be done to expediate this process.
4. Adopt a 70/30 split between infill and greenfield development to meet the target of an additional 30,000 dwellings identified in the *Greater Hobart Plan 2030*.
5. Implement the recommendations from its “Towards Infill Housing Development” report commissioned by the Department of State Growth in 2019.
6. Engage with local government, industry, and community to identify and prioritise investments in infrastructure, public transport, and services such as health, childcare and education.
7. Explore the benefits and challenges of collecting developer contributions that enhance community and economic outcomes for the state.
8. Review the Southern Tasmanian Regional Land Use Strategy (STRLUS) to identify appropriate land uses at a regional scale to provide local governments with the framework to manage population growth while ensuring adequate provision for other land uses.
9. Deliver a public campaign to build a positive connection between social housing and the Tasmanian community.
10. Lead the development of an extreme weather emergency response protocol.
11. Amend the Tasmanian Planning Scheme to allow local government more scope to regulate short stay accommodation approvals within their municipality.
12. Review the Residential Tenancy Act to ensure that it is contemporary and follows best practice.

# Feedback on the draft **strategy**

## **Increasing supply across the housing continuum**

The City welcomes the emphasis on increasing the supply of housing outlined in the draft strategy. However, it is crucial that all levels of government work collaboratively to improve supply across the entire housing continuum including social and affordable housing. In Hobart alone, it is estimated that 1,372 households (6.4 per cent of all households) have an unmet need for affordable housing.<sup>1</sup>

It is important that the strategy's "all homes built faster" theme is truly holistic in its scope and is not seen as simply an opportunity to apportion blame to the development application process.

Local government plays an essential role in the housing delivery pipeline as a facilitator and a regulator. The City of Hobart reaffirms its unequivocal position that statutory planning responsibilities must remain with local councils due to the specialised local knowledge and expertise that councils possess.

We encourage the Tasmanian Government to implement a formal Mandatory Inclusionary Zoning (MIZ) mechanism into the *Land Use Planning and Approvals Act*. MIZ would allow council discretion on evaluate developments based on an appropriate level of social and affordable housing. The City of Hobart would appreciate the opportunity to provide input into how this mechanism should function.

The City also encourages the Tasmanian Government to incorporate definitions of social and affordable housing into the Tasmanian Planning Scheme. This definition would assist councils in negotiating with private land developers to facilitate new social housing supply based on legislative requirements. Implementing this definition would also provide baseline data for the City of Hobart track social and affordable housing supply in our LGA.

We would like to emphasise that the current regulatory settings are not impeding increased density in developments within the City of Hobart. As outlined above, the development approval pipeline remains healthy, however, we are aware that there can often be long delays between development approval and completion / occupancy. Reasons for these delays are likely to be multi-faceted and, in some cases, project specific. However, the City of Hobart recommends that the state government undertake further analysis to understand the extent of and reasons for these delays to determine whether more can be done to expediate this process.

Local government can also play a key role in facilitating partnerships between governments, industry, community, and the housing sector to deliver innovative housing solutions. The City of Hobart is excited by the opportunity to work closely with Homes Tasmania in this regard.

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<sup>1</sup> Compiled and presented by .id - the population experts [www.id.com.au](http://www.id.com.au)

## Infill development and strategic planning

The City of Hobart welcomes the draft strategy identifying the opportunity and need to meet housing demand through a focus on infill development and recommends that the State Government, in endeavouring to meet the target of an additional 30,000 dwellings identified in the *Greater Hobart Plan 2030*, adopt a 70/30 split between infill and greenfield development.

The City notes that the Tasmanian Government has previously examined the feasibility of infill development in Tasmania. We highlight that the 2019 '*Towards Infill Housing Development*' report prepared for the Department of State Growth noted that the State Government must address barriers to delivering new infill developments which may improve housing choice and affordability for Tasmanians.<sup>2</sup>

To manage increased demand for housing, the City of Hobart sees great potential in working in partnership with community and across government to shape our key residential and commercial areas. A current example is the draft Central Hobart Neighbourhood Structure Plan. A partnership between the City of Hobart, Tasmanian Government and the community, the draft plan will enable increased residential density, as well as identifying the infrastructure, open space, transport, and commercial opportunities required to meet the needs of a growing population. This approach includes significant community engagement to bring the community along and help overcome negative sentiment towards increased density. The City is developing these neighbourhood plans across the LGA to ensure that we are fostering inclusive communities for our growing population.

To manage increased growth and enable these liveable, connected and accessible communities, it is critical that the State Government work closely with local and federal government, industry, and community to identify and prioritise investments in infrastructure, public transport, and services such as health, childcare and education. Of particular importance in the Greater Hobart context is the Northern Suburbs Transit Corridor that will connect employment and activity centres to the central business district to meet the changing needs of our growing population.

We emphasise there is an opportunity to implement a developer contribution levy in Tasmania to fund essential infrastructure for new developments. The *Central Sydney development contributions plan* enables the City of Sydney to generate contributions towards the cost of new or augmented public facilities to support the growth and development of Central Sydney<sup>3</sup>. This mechanism ensures residents, workers and visitors have access to improved amenities and services near new dwellings. The City of Hobart encourages the State Government to explore the benefits and challenges of collecting developer contributions that enhance community and economic outcomes for the state.

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<sup>2</sup> *Towards Infill Housing Development*, [place design group](#) (2019)

<sup>3</sup> *Central Sydney Development Contributions Plan 2020*, [City of Sydney](#)

Strategic and deliberate land use planning is critical to ensure a coordinated approach to managing growth. To this end, the City of Hobart recommends that the State Government reviews the Southern Tasmanian Regional Land Use Strategy (STRLUS) considering forecast population growth. An updated STRLUS should identify appropriate land uses at a regional scale to provide local governments with the framework to manage population growth while ensuring adequate provision for other land uses.

## **People at the centre**

Every Tasmanian deserves the safety and security of a home, and it is vital that all levels of government cooperate to deliver safe, inclusive, and accessible social and affordable housing. It is also important that adequate supports are put in place for those who are experiencing, or at risk of experiencing, homelessness.

The City of Hobart recognises that we have a responsibility to communicate human-centred narratives around housing and homelessness. The *'I Am Somebody'* project highlights the reality for people experiencing homelessness and housing stress in Tasmania. The 2022 iteration expanded with support and involvement of the Clarence City Council, Glenorchy City Council and Huon Valley Council. With support from the State Government, these types of initiatives can help support safe and inclusive communities across Tasmania.

The City of Hobart recognises that there is also a need to work with communities to ensure that people realise the benefits of social housing in their neighbourhoods. While local government is well placed to support these community conversations, the City of Hobart believes that there is a role for a State Government-led public campaign around the benefits of neighbourhoods with diverse housing stock.

There is also more that can be done to support those experiencing homelessness, particularly in response to extreme weather events. The need for an extreme weather emergency response protocol for Tasmania was initially raised at a City of Hobart facilitated Homelessness Summit in 2019. This goal was identified for priority action through the Greater Hobart Homelessness Alliance (which includes representation from the Tasmanian Government).

Given the increasingly acute housing crisis, as well as the impact of climate change in increasingly extreme weather events, the City of Hobart advocates that the Tasmanian Government lead the development of an extreme weather emergency response protocol. Such a protocol should identify the roles, responsibilities, and resource contribution of each party as well as the necessary triggers for action, mechanisms for implementation and communication channels that enable a community to quickly stand-up local emergency evacuation venues and engage appropriate support for rough sleepers who may be impacted by extreme weather events.

## Unaffordability in the private market

The City of Hobart emphasises that the lack of affordable housing disproportionately impacts the most vulnerable in our community. May 2023 data provided by Homes Tasmania has calculated the 12-month average waiting period for priority applicants on the housing register was 78.5 weeks.<sup>4</sup> It is vital that both the Tasmanian and Australian Governments set ambitious targets to deliver on previous social housing commitments.

Local communities will feel the negative impacts of persistent housing unaffordability in the private market. Expensive rental and ownership markets make it harder to attract and retain key workers including nurses and midwives which is likely to impact the delivery of health services. A recent study undertaken by the University of Sydney found that workers across 21 key sectors including teachers, nurses, bus drivers and ICT workers could not afford to buy in any local government area in Metropolitan Sydney or Melbourne.<sup>5</sup> It's critical that Hobart and Tasmania manage this issue into the future.

The City of Hobart recognises that there are multiple drivers of the current housing availability and affordability crisis in Tasmania. In June, the City of Hobart voted to implement differential rates for both vacant residential land and properties utilised as short stay accommodation. While the City of Hobart is doing what it can in this space, its ability to act is limited by the lever available to it.

In this context, the City of Hobart recommends the Tasmanian Government amend the Tasmanian Planning Scheme to allow local government more scope to regulate short stay accommodation approvals within their municipality. Recent research from the University of New South Wales found that 47 per cent of short stay rentals in Hobart were previously in the long-term rental market.<sup>6</sup> This data suggests that the growth of the short-term rental market has directly impacted the long-term rental market.

## Rental arrangements

The City acknowledges the commitment of National Cabinet to outline reforms to strengthen renters' rights in the second half of 2023. In June 2023, Hobart's vacancy rate was measured at 2.7%<sup>7</sup> which is well below the 3% required to be considered a 'healthy market'. The rental market at present is unbalanced with demand exceeding supply of rental properties. Homes designated for short term accommodation are often entire dwellings withdrawn from mainstream rental occupancy.

In an extremely tight rental market, it is important that the legislative and regulatory settings appropriately balance the needs of renters and landlords. In this context, the City

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<sup>4</sup> *May 2023 Housing Dashboard*, [Homes Tasmania](#)

<sup>5</sup> *Tracking the housing affordability challenges of essential workers*, [HOPE Housing](#) (2023)

<sup>6</sup> *Monitoring the Impact of Short-Term Rentals on Tasmanian Housing Markets*, [Shelter Tasmania](#) (2022)

<sup>7</sup> *Rental Insights June 2023*, [CoreLogic](#)



of Hobart recommends the State Government review the Residential Tenancy Act to ensure that it is contemporary and follows best practice.

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## Conclusion

The City of Hobart welcomes the Tasmanian Government Housing Strategy and looks forward to further engagement through the development of the final strategy and the supporting action planning process.