

Tasmanian Government Submission

HOUSE OF ASSEMBLY SELECT COMMITTEE ON
HOUSING AFFORDABILITY

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I INTRODUCTION

The Tasmanian Government welcomes the opportunity to provide a submission to the House of Assembly Select Committee on Housing Affordability.

The issue of housing affordability is one which all jurisdictions across Australia are dealing with. In Tasmania the Hodgman Liberal Government is tackling these challenges through a range of initiatives aimed at increasing home ownership, addressing supply and demand of houses and supporting those in housing stress or at risk of homelessness.

Tasmania continues to have the highest rate of home ownership in the country. However, recent data shows that the rate of homelessness is increasing across Australia, although at a slower rate in Tasmania than nationally¹. The same data shows that Tasmania has the lowest rate of homelessness per capita of all jurisdictions².

The Report on Government Services shows that Tasmania has a low proportion of social housing applicants to social housing dwellings, with applications at 26.3 per cent compared to a national rate of 44.9 per cent.

In 2015, the Tasmanian Government developed the first 10-year, Affordable Housing Strategy (the Strategy) to improve affordable housing and help those most in need into safe and secure accommodation.

The Strategy provides direction and a framework for action and investment over its 10 years. Specific initiatives and actions are set out in the Affordable Housing Action Plan 2015 – 2019 (Action Plan 1) and the second stage Affordable Housing Action Plan 2019- 2023 (Action Plan 2). A third action plan will be developed for the final years of the Strategy.

Action Plan 1 was supported with an investment of \$73.5 million to deliver new supply of affordable housing and assistance. It was completed at the end of June 2019, and has assisted 1,605 additional households into safe, secure and suitable accommodation including 984 affordable lots and homes.

Since Action Plan 1 was released, market conditions have changed significantly, however the key drivers of the Strategy remain relevant. In developing Action Plan 2, stakeholders agreed that the Government's focus must remain on its primary role to increase the supply of social housing and supported accommodation options. It also identified that as conditions continue to change, it must be able to react and respond appropriately.

The Tasmanian Government has developed a suite of tax measures to incentivise increased housing supply to address housing pressures. Last year, the Government legislated to introduce a range of taxation relief initiatives to help first home buyers enter the market, and make more family-sized homes available by encouraging eligible pensioners to downsize.

This included a 50 per cent duty concession for first homebuyers of established properties and eligible pensioners downsizing to smaller dwellings. In January 2019, these measures had helped

¹ ABS cat. no. 2049.0

² ABS cat. no. 2049.0

776 first home buyers to afford to purchase a home, and 149 pensioners to downsize – releasing more family homes onto the market.

With the Tasmanian property market experiencing strong demand, recent data shows these measures are working. The Tasmanian Housing Sector is experiencing the strongest growth in the country in various statistics such as dwelling approvals, commencements, completions and work done.

In further recognition of this increasing demand, the Tasmanian Government convened a Housing Summit in March 2018. The Housing Summit included experts in key sectors from across the State to identify practical actions to assist Tasmanians in need. Participants identified nine actions related to land-use planning, incentives to increase the private rental stock, and data-gathering initiatives.

The Tasmanian Government has also recently announced an extra \$5 million of funding for immediate actions to address homelessness, which include expanding the capacity of existing crisis shelters using pre-fabricated dwellings, and more funding to secure cabins, hotel and motel rooms for emergency accommodation.

This expanded emergency response is about increasing the provision of safe, supported temporary accommodation for those in greatest need, while investment in new emergency shelters and affordable housing stock is undertaken.

This submission addresses the Terms of Reference for the House of Assembly's Select Committee on Housing Affordability by outlining Tasmania's housing and homelessness system and government strategies and actions being undertaken to address housing affordability.

2 TASMANIA'S HOUSING AND HOMELESSNESS SYSTEM

This Section provides a summary of Tasmania's housing and homelessness system.

2.1 Accessing housing and homelessness services

Tasmania has the most streamlined and coordinated housing and homelessness system in Australia, with a unique single service system and housing register. Housing Connect's Front Door Service is where people go for housing assistance and support. It provides one assessment for everything from emergency accommodation to a long-term home.

There are many pathways into housing. People can apply for private rental assistance, social housing and supported accommodation, or they can be housed during a time of crisis. Housing Connect can also provide people with housing-related support and information, and advice and referral to other support services available to them in Tasmania.

Tasmania's housing system includes the provision of all forms of residential tenure – from public and community housing to private rentals and home ownership. It includes the provision of supported accommodation for vulnerable tenants who need this form of integrated housing and support, and the provision of emergency and transitional accommodation to assist people out of crisis into independent living.

2.2 Social housing stock

In Tasmania, as at 30 June 2018, there were 13,288 social housing dwellings³. This includes stock owned and managed by community housing organisations. The proportion of social housing stock managed and owned by non-government organisations is likely to increase due to greater opportunities to provide innovative housing.

Each year, a number of social housing tenants are assisted to buy their home which means we continue to see an increase in affordable housing in high demand areas.

Housing Tasmania has a sales program that ensures the renewal of the social housing portfolio to meet future needs. Properties sold through the program are evaluated to determine their suitability, with properties deemed unsuitable for retainment because of their remote location, distance from essential services or transport, location in areas of low demand for social housing, or the property may require costly maintenance work to renew the building.

All Housing Tasmania dwellings that are made available for sale are sold at no less than market value and in most cases first preference is given to Streets Ahead and HomeShare applicants.

The Streets Ahead program provides social housing tenants renting a Housing Tasmania owned property with the opportunity to purchase their property. Streets Ahead Assistance is also available to eligible applicants to assist with the purchase of a Housing Tasmania dwelling advertised for sale.

The HomeShare program assists eligible Tasmanians into home ownership by reducing the costs of buying a house through sharing this cost with the Director of Housing. HomeShare is

³ Report on Government Services, https://www.pc.gov.au/research/ongoing/report-on-government-services/2019/housing-and-homelessness/housing_link

available to purchase existing Housing Tasmania dwellings, new homes and house and land packages.

In 2018-19, 43 Housing Tasmania dwellings were sold. This included; 16 properties sold on the open market; 21 properties sold through the Streets Ahead program; and 6 properties sold through the HomeShare program.

In 2018-19, 292 new social housing dwellings were constructed including 95 new public housing properties and 197 new community housing properties. New social housing dwellings are required to be tenanted by applicants from the Housing Register.

The supply of new housing remains a priority for the Tasmanian Government with significant numbers of dwellings being delivered and under construction now.

Tasmania leads the nation regarding diversity of social housing. In 2017-18, 45 per cent of social housing properties were owned or managed by the community sector. This is higher than the national target of 35 per cent. The management of social housing by the community sector results in positive outcomes including access to Commonwealth Rent Assistance (CRA) and GST savings, which allows for greater investment in the maintenance and the upgrade of social housing properties. Additional benefits include greater flexibility in supporting tenants with special needs, an appropriate mix of tenants, and a greater focus on community engagement and social inclusion initiatives.

2.3 Demand for social housing

As at June 2019, there were 3,330 total applicants for social housing, up slightly since June 2018 when there were 3,216 applicants on the housing register⁴.

While 50 per cent of applicants on the housing register need one-bedroom properties, only 25 per cent of the housing stock is one-bedroom. The Stock Match Initiative is a voluntary, incentivised program to better match tenants and properties. Additionally, future developments are focussed on the new supply of smaller and accessible properties.

The most recent data released on the Communities Tasmania Dashboard shows that the Housing Register stabilised during the March 2019 Quarter and that the Average Wait Time to be housed decreased from 56 to 50 weeks since the last quarter.

Trends in the table below show a 35 per cent increase in the number of applicants on the housing register from 2013-14 to 2018-19.

Number of applicants on the housing register 2013-14 – 2018-19

	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19
Applicants on Housing Register	2,465	2,771	3,573	2,962	3,216	3,330

Source: Housing Tasmania internal data

⁴ Human Services Dashboard https://www.dhhs.tas.gov.au/humanservicesstats/human_services_dashboard

2.4 Prioritisation of social housing demand

Housing Connect assesses social housing applicants using the Housing Assessment Prioritisation System (HAPS) and categorises applicants according to need. As at June 2019, there were 376 priority (exiting crisis) applicants and 1,967 priority applicants.

Housing Tasmania ensures that when public housing properties do become available, they are provided to people most in need. In 2017-18, 98.8 per cent of allocations were to priority applicants.

The time that it takes to re-let a property once it becomes vacant fluctuates each month. The average time to turnaround properties in June 2019 was 20.5 days. This compares well to the nationally accepted benchmark of 28 days.

2.5 Housing debt

The total Tasmanian debt outstanding under the Commonwealth State Housing Agreement (CSHA) was \$157.6 million as at June 2019. During 2018-19, Tasmania made total repayments of \$15.3 million, comprising \$7.4 million in principal repayments and \$7.9 million in interest, reducing the outstanding debt to \$149.6 million. The debt is scheduled to be paid out by 30 June 2042.

In 2019-20, Tasmania will receive \$33.7 million from the Australian Government for housing and homelessness services under the National Housing and Homelessness Agreement. The repayment of \$15.3 million equates to approximately 45 per cent of this funding.

All states and territories, with the exception of Victoria and the Australian Capital Territory (ACT), have an outstanding housing debt to the Australian Government. South Australia successfully negotiated debt relief of \$320 million in 2013 but it has retained a significant residual debt. Victoria finalised its debt agreement with the Australian Government in 1998. The ACT has never had CSHA debt.

Repayment or 'forgiveness' of the CSHA has been the subject of numerous discussions with the Australian Government over the years. The preferred option would be for the debt to be forgiven on the basis that the money being paid back to the Australian Government would serve a much greater community interest were it used to address homelessness and housing affordability issues at a time when these issues were greatly impacting Tasmanians.

A key issue to be considered and managed in any future negotiations related to CSHA debt relief is the impact on Tasmania's GST distribution. In particular, any payment would need to be quarantined by the Australian Government Treasurer from consideration by the Commonwealth Grants Commission as part of its assessment of Tasmania's GST share. If this did not occur, the State would lose this funding through its GST allocation and, in effect, swap untied funding for tied funding.

2.6 Maintenance liability

The housing deferred maintenance liability is the amount of funds required to undertake works required as a result of natural deterioration and to restore property assets to their optimum intended functional condition. The Tasmanian Government's maintenance liability comprises two sections:

- Public and Aboriginal housing – properties owned and managed by the Director of Housing; and
- Community housing – properties owned by the Director of Housing but managed by non-government organisations under the Better Housing Futures (BHF) Program.

As at May 2019, the maintenance liability associated with public and Aboriginal housing was \$25.45 million. The maintenance liability associated with community housing was \$34.55 million. The total liability of \$60 million is a reduction of \$9.45 million since the commencement of the BHF Program.

The reduction of the maintenance liability has been achieved through a variety of measures including leveraging Commonwealth Rent Assistance (CRA). Only social housing tenants are eligible for CRA. While tenants in public housing and social housing will pay the same rent, the CRA is captured by the BHF provider, enabling BHF providers to re-invest more heavily in maintenance activities.

3 TASMANIAN GOVERNMENT STRATEGIES AND ACTIONS

This section provides details on strategies and actions being undertaken by the Tasmanian Government to address housing affordability.

3.1 The Affordable Housing Strategy

The Affordable Housing Strategy (the Strategy) is a 10-year strategy addressing the housing needs of households unable to access the housing market and that require some level of housing assistance. The Strategy details the Tasmanian Government's approach to decrease the proportion of low-income Tasmanian households experiencing housing stress, and decrease the proportion of Tasmanians experiencing homelessness. The strategies to achieve this are:

- increasing new affordable housing supply to prevent housing stress and homelessness;
- early intervention through better access to housing assistance to reduce housing stress; and
- rapid assistance to restore and stabilise peoples' housing with support if needed.

The objectives of the Strategy are achieved through implementation of Affordable Housing Action Plans 1 and 2.

Achievements under Affordable Housing Action Plan 1

Improved access and new supply of affordable land lots and homes have been delivered under *Tasmania's Affordable Housing Action Plan 2015-19* (Action Plan 1). Over this four-year period:

- 351 households have been assisted into affordable home ownership including:
 - 147 households assisted through Streets Ahead; and
 - 204 households assisted through HomeShare;
- 291 affordable land lots have been released;
- 453 new social housing dwellings have been delivered;
- 294 households have been assisted into affordable private rentals and rapid rehousing including:
 - 183 households assisted in escaping family violence;
 - 16 households assisted after exiting care and rehabilitation facilities; and
 - 95 households assisted through private rental incentives.

The Tasmanian Government has committed to additional supply under *Tasmania's Affordable Housing Action Plan 2019-2023* (Action Plan 2) that will assist approximately 2,000 households, including through providing a further 1,500 new affordable lots and homes for Tasmanians.

3.2 Helping people into home ownership

The Affordable Housing Action Plan 2 commits to assist 657 households into home ownership by 30 June 2023, of which 351 have already been assisted under Action Plan 1. This goal will be achieved through the delivery of the HomeShare and Streets Ahead programs.

HomeShare helps those on lower incomes by reducing the initial cost of buying a house and the monthly cost of owning it, with the cost shared by the Director of Housing.

The Streets Ahead Incentive Program helps with the deposit, mortgage insurance and legal costs of buying a home. The Program is available to all public housing tenants and eligible persons purchasing Director of Housing properties that are for sale. Eligibility criteria for the Program include an income sufficient to meet the costs of purchasing and owning a home.

Tasmania has the highest rate of home ownership in the nation. At the 2016 Census, 69.2 per cent of dwellings were owned outright or with a mortgage compared to 65.5 per cent nationally.

As part of the 2019-20 State Budget, the Tasmanian Government has extended the \$20,000 First Home Owner Grant (FHOG) for one additional year, from 1 July 2019 to 30 June 2020. The FHOG is a one-off payment for eligible applicants who buy or build a new home, where the transaction meets certain eligibility criteria.

For eligible transactions entered into from 1 July 2020 onwards (or for eligible transactions that do not meet the requirements for the increased grant) the grant amount is \$10,000.

The \$20,000 FHOG for new houses in Tasmania is generous, both on an absolute and relative basis. As the table below shows, the Tasmanian Government's FHOG provides the greatest amount of support to first home buyers when considered as a proportion of the estimate of the median house price. Tasmania and the Northern Territory are the only two jurisdictions that do not have a cap on the value of the home.

Grant assistance across Australia

Capital city	Total assistance (Grant only)
Sydney	\$10,000
Melbourne	\$10,000
Brisbane	\$15,000
Adelaide	\$15,000
Perth	\$10,000
Hobart	\$20,000
Darwin	\$12,000
Canberra	\$7,000

Source: various State Government data

Since 2018, the Tasmanian Government has implemented a range of additional housing measures to, among other things, improve Tasmania's rental market and home ownership. These included providing:

- a 50 per cent stamp duty concession to first home buyers of established homes with a value of up to \$400,000, for a 12 month period;
- a 50 per cent duty concession to eligible pensioners that sell their existing home and downsize to a new home or unit at a lower cost, for a 12 month period;
- a three-year land tax exemption for all newly-built housing that is made available for long-term rental; and
- a one-year land tax exemption for short-stay accommodation properties that are made available for long-term rental accommodation.

These initiatives have all been extended as part of the 2019-20 State Budget.

In 2018 the Tasmanian Government implemented a Foreign Investor Duty Surcharge of an additional 3 per cent on all purchases of residential property by foreign residents and an additional 0.5 per cent for all purchases of primary production land by foreign residents. As part of the 2019-20 State Budget, it was announced that the surcharge would be increased to 7 per cent for residential land and 1.5 per cent for primary production land from 1 July 2020.

The Tasmanian Government is also introducing a land tax surcharge to apply to foreign ownership of residential and primary production land to apply from 1 July 2020. The details of the surcharge are being developed.

3.3 Creating incentives to increase the stock of long-term rental accommodation

The Tasmanian Government has extended the three-year land tax exemption for newly-built housing made available for long-term rental from 7 February 2021 to 30 June 2023. The initiative provides a three-year land tax exemption for all newly-built housing that is made available for long-term rental. The exemption will be available for the three financial years after the date that an occupancy certificate is received, as long as it is received between 8 February 2018 and 30 June 2023 inclusive.

The Tasmanian Government has also extended the one-year land tax exemption for short-stay accommodation made available for long-term rental from 30 June 2019 to 30 June 2023. This is an exemption for short-stay accommodation properties rented out for a minimum term of 12 months between 15 March 2018 and 30 June 2023 (inclusive) in Tasmania.

3.4 Providing rental assistance

The Affordable Housing Action Plan 2 commits to assisting low-income households into secure private rental accommodation at an affordable rent in partnership with community housing providers.

The goal is to establish 200 new tenancies by 30 June 2023 under the Private Rental Incentives Scheme in addition to the 95 households assisted under the Pilot introduced by Action Plan 1.

The Private Rental Incentives Scheme helps eligible low-income Tasmanians access affordable private rental properties. The new Program offers two-year leases at guaranteed, affordable rental prices in convenient locations.

3.5 Increasing the social housing stock

The Affordable Housing Action Plan 2 sets a goal of delivering 1,051 new social housing homes by 30 June 2023. Of these, 453 have been delivered under Action Plan 1. The new homes will

be designed to meet the diverse needs of Tasmanians including elderly, those living with disability, families and singles.

The Plan sets out six specific actions to achieve this goal. The actions relate to:

- the release of an indicative program of tenders to help inform and build capacity of the construction industry to prepare for investment, now available at the communities.tas.gov.au/housing website;
- community housing grants and/or the sale of suitable land to be made available to registered providers to construct more social housing;
- reinvestment in public housing by redeveloping existing sites to construct new social housing and realign the portfolio;
- purchasing strategic sites for new social housing;
- allocating 70 new homes to suitable applicants from the Housing Register who are National Disability Insurance Scheme participants; and
- offering grants to local government and community organisations to construct suitable housing in regional and rural areas.

The Australian Government has committed \$30 million through the Hobart City Deal for affordable housing. The funding will support projects in partnership with community housing providers to deliver approximately 100 new social housing dwellings.

As part of the implementation of the Hobart City Deal, City Deal Partners will:

- invest in social housing for people most in need close to major services and amenities;
- encourage greater diversity of housing by streamlining planning and regulation to allow more fit-for-purpose and diverse housing types in appropriate areas;
- activate well planned precincts in key areas supported by appropriate planning, infrastructure and amenity;
- encourage and plan for investment in growth areas to unlock development and urban renewal opportunities;
- support and integrate housing with transport systems; and
- deliver optimal public benefit from private investment.

3.6 Supported accommodation

The Tasmanian Government is expanding supported accommodation facilities across the State to meet the needs of those who require more intensive support.

Rapid Rehousing

An objective under the Affordable Housing Action Plan 2 is to assist 263 households into Rapid Rehousing by 30 June 2023, of which 191 have been assisted under Action Plan 1. Rapid Rehousing is support provided to:

- families experiencing family violence;
- people with mental illness in inpatient care to transition them into independent living with appropriate supports in place; and
- prisoners to assist them with reintegration into independent living within their community.

A total of 424 households will be assisted into longer-term supported accommodation by 30 June 2023, of which 79 have been assisted through Action Plan 1.

Supported accommodation for youth at risk

Youth at risk is a complex problem that requires collaborative intervention across government and non-government service sectors in order to identify risk and intervene in the lives of vulnerable young people.

A taskforce has been established with representatives from the community sector to identify and prioritise care for children under 16 who are at risk of homelessness and are not in out-of-home care. The taskforce will examine a variety of options including working intensively with these families to keep them housed; assisting them into suitable and secure accommodation in a family home environment with therapeutic support in place; and improving access to special care and secure accommodation.

This work will complement a suite of actions including intensive family engagement and other youth support services, short-term time-out accommodation in Youth at Risk Centres and Youth Foyers for older children.

Youth Foyers are integrated learning and accommodation settings for young people who are at risk of, or are experiencing homelessness or exiting out-of-home care. Working with the community sector and mainstream services, Youth Foyers take a holistic approach to meeting needs of young people and focus on empowering them, so they can build better lives for themselves and achieve genuine independence.

The Tasmanian Government will construct more Youth Foyers to increase the excellent outcomes currently being achieved from this type of housing in Tasmania. New facilities will be located in urban centres that are close to education and employment services.

Supported accommodation for elderly Tasmanians

The Tasmanian Government is constructing a new facility in the South of the State to provide safe, affordable accommodation for approximately 50 elderly Tasmanians who are homeless or at risk of being homeless. There is also an in-home support service for older residents who live in social housing and an outreach service for older Tasmanians who are at risk of homelessness in the South to improve their health and wellbeing and stability of tenure.

Supported accommodation for people with mental illness

The Tasmanian Government is committed through Action Plan 2 to identifying the housing and support needs of people with mental illness in inpatient care to plan for more suitable accommodation and greater choice to live well in the community. Additionally, the Tasmanian Government is committed to constructing new community homes in small groups of units for people with chronic mental illness. This will provide secure lease terms and provide long-term clinical and psycho-social support to help them sustain their homes and live within the community.

3.7 Increasing homeless accommodation

The Tasmanian Government is investing more in short-term accommodation to ensure there is adequate crisis and transitional accommodation.

The Plan contains seven actions to support this goal being achieved, including initiatives in the North West, North and South, directed at men, women and youth. Further details of this Plan can be found in the attached documentation.

Recently, the Tasmanian Government has provided an additional \$5 million towards providing immediate actions to reduce homelessness and housing stress across Tasmania.

This additional support is designed to help those Tasmanians most in need and at risk of homelessness.

Additional places will be secured by:

1. Working with the tourism and hospitality sector to secure more emergency accommodation options for people in immediate need.
2. Expanding the capacity of existing shelters which provide support for people with more complex needs by installing pre-fabricated units alongside their existing facilities.

This new funding allocation will provide for more emergency and short-term accommodation to bridge the gap in demand for housing while we are providing new housing stock across the state under our Affordable Housing Strategy and Action Plans.

3.8 Responsive services

The Tasmanian Government partners with the community sector under Better Housing Futures to deliver an integrated social housing system with a single intake point via Housing Connect.

The Tasmanian Government is committed to improving the Housing Connect model to ensure it streamlines our response and better integrates services. Under Action Plan 2, the Tasmanian Government is committed to:

- complete a review of the Housing Connect model to ensure it continues to meet the scale and complexity of needs of Tasmanians seeking housing assistance;
- work with partners to evolve the Housing Connect model;
- continue the Emergency Support Program (formerly known as the Winter Relief Package) to invest in outreach support for Tasmanians experiencing rough sleeping as an integrated part of Housing Connect; and
- introduce more detailed information available to clients at the Housing Connect Front Door to help applicants make decisions about their housing options.

Taking a more client-centric approach to those accessing support and finding appropriate accommodation is key to addressing homelessness. Action Plan 2 will focus on the way specialist homelessness services engage with their clients to provide better outcomes. This will involve:

- IT enhancements to the Specialist Homelessness Information Platform to streamline service integration, business practices and data collection;
- outcome-based performance reports for funded services, with the release of Public Report Cards; and
- working with Shelter Tasmania to deliver a workforce development plan to build the capacity and capabilities of the homelessness sector workforce to deliver best-practice, positive outcomes for clients.

The Tasmanian Government will take steps to improve data collection and access to housing information. This will involve:

- The introduction of a Point of Contact to enhance the information now available at the communities.tas.gov.au/housing website. It will be a reference point for those in our community who have an interest in developing or providing affordable housing, allowing them to easily find information relating to where and what types of housing are in greatest need.
- Improving the type of information that is received through the MyBond System to enable a better understanding of the private rental market.
- A review of the Housing Dashboard Measures used by the Department of Communities Tasmania to ensure we are measuring meaningful progress and are consistent with national performance indicators under the National Housing and Homelessness Agreement.

3.9 Planning reforms

The Tasmanian Government is implementing broad-scale reforms to the State's land-use planning system. These reforms will:

- deliver a more strategic, consistent and efficient approach to land use and development into the future (refer to Appendix 1 for further details);
- improve the supply of housing and achieve improved housing affordability for those households able to access the private market when supply is available; and
- provide for better integration of land use and infrastructure planning aimed at increasing the supply of housing in areas with sufficient infrastructure and services.

Increasing land supply

The Affordable Housing Action Plan 2 contains six actions related specifically to land release and planning initiatives with the objective of increasing the supply of housing including affordable housing. The actions draw together the reform directions contained in Tasmania's Affordable Housing Strategy, the Hobart City Deal and the outcomes of the 2018 Housing Summit.

Following the 2018 Housing Summit, the Tasmanian Government announced that it would introduce legislation to 'fast track' the re-zoning of land to enable the building of more affordable homes in Tasmania. The *Housing Land Supply Act 2018* enables the Minister, subject to approval by both Houses of Parliament, to rezone that land and specify the planning provisions that are to apply. This replaces the standard planning scheme amendment process outlined within the *Land Use Planning and Approvals Act 1993*, and it is anticipated that this cuts about six months off the re-zoning process.

Action Plan 2 sets a target to release 670 lots by 30 June 2023, of which 291 lots were released under Action Plan 1. Each lot has the potential for one or more homes to be built. The land that is released has been subject to assessment to ensure that it meets certain criteria such as proximity to services, transport and employment.

Through the Hobart City Deal the Australian Government, the Tasmanian Government, the Kingborough Council and the Clarence, Glenorchy and Hobart City Councils will work together to put in place initiatives to manage the issues impacting housing affordability, including rental stress, home ownership affordability particularly for low-income households, and the supply of housing near employment, transport and service centres. The City Deal will complement and

build on the work under way, including the Tasmanian Government's Affordable Housing Strategy and Action Plan 2.

The Hobart City Deal includes an investment of \$33.5 million in affordable housing initiatives including:

- \$30 million provided by the Australian Government to partner with community housing to deliver affordable housing;
- \$3.2 million worth of land for a mixed-use development build with a focus on providing for affordable housing; and
- \$300,000 over two years to jointly work with the Hobart City and Glenorchy City Councils on a strategy for urban renewal and activation of the Northern Suburbs Transit Corridor along the existing rail corridor, that builds on the work undertaken to date.

3.10 *Short Stay Accommodation Act 2019*

The development of the *Short Stay Accommodation Act 2019* (SSA Act) was in response to opportunities identified at the 2018 Housing Summit. The SSA Act delivers a data sharing partnership with booking platforms that offer short-stay accommodation in Tasmania.

The SSA Act serves two important roles. It ensures that everyone is abiding by the current permit requirements for short-stay accommodation, and shows the extent that housing, including former long-term rental accommodation, is being used for short-stay accommodation in Tasmania.

The Act will operate in conjunction with existing planning requirements in planning schemes and Planning Directive No.6 – 'Exemption and Standards for Visitor Accommodation in Planning Schemes' and the existing enforcement provisions available to local planning authorities under the *Land Use Planning and Approvals Act 1993*.

The SSA Act applies to both new and existing property listings in residential areas, and requires certain information about the property, including permit numbers, to be supplied to the website operator, which in turn must report all listings and associated details to the Tasmanian Government on a quarterly basis.

The information collected will be used to ensure compliance with the planning requirements and to assist with further policy development on short stay accommodation in Tasmania. The information may also be used to ensure compliance with building, health and safety requirements. Aggregated and other non-privacy sensitive information may be published on the use and extent of short stay accommodation.

Enforcement of the Act is the responsibility of the Director of Building Control. Local planning authorities will retain their role in enforcing the planning requirements under the *Land Use Planning and Approvals Act 1993*. The Director of Building Control and local councils will also retain their roles in enforcement of building requirements under the *Building Act 2016*. The first round of data will be collected during October to December 2019.

3.11 *Supporting the construction industry to meet demand*

Access to a skilled workforce in the construction sector is an important contributor to meeting housing demand in both the immediate and longer term.

The Tasmanian Government is helping businesses to employ apprentices and trainees for the development of the future workforce, and targeting its skilled migration efforts to access the skills we need to build the dwellings that are ready to be built now.

The Payroll Tax Rebate Scheme provides payroll tax relief to businesses operating in Tasmania that employ apprentices, trainees and youth employees. Relief was initially available for two years for all eligible employers until 30 June 2019.

The Scheme has been extended to 30 June 2021 and is now targeted to the eligible industries of: building and construction; tourism and hospitality; and advanced manufacturing. This will assist many businesses to employ more apprentices, including the construction industry.

Businesses that do not pay payroll tax may also benefit from the Targeted Apprentice and Trainees Grant for Small Business program, which provides grants to employ eligible apprentices and trainees.

On 1 July 2018, the Tasmanian Government introduced reduced rates of payroll for all taxpayers. The payroll tax rate has reduced from 6.1 per cent to 4 per cent for wages between \$1.25 million and \$2 million. This will help medium and large businesses to employ more workers.

4 CONCLUSION

The Tasmanian Government has a suite of integrated initiatives to respond to the impacts of housing affordability and to increase housing affordability in the long term as well as measures to address the immediate need.

The Tasmanian Government recognises that there is more to do, and has a significant number of homes already under construction as we move into our second Affordable Housing Action Plan.

We are confident that our Strategy, supported by the two Action Plans, combined with the \$30 million housing investment under the City Deal, nation-leading building approvals in the private market, and new tourism hotel construction, will ease the pressures for Tasmanians currently experiencing housing stress.

Appendix I: Planning – land use and development

Tasmanian Planning Scheme

The Tasmanian Planning Scheme, which consists of State Planning Provisions (SPPs) and Local Provisions Schedules (LPSs), will deliver a consistent suite of planning controls across the State, and provide the necessary flexibility to address local issues. The SPPs have been developed and councils are currently preparing the LPSs that will apply to their municipal areas and give effect to the SPPs. This will reduce the complexity of seeking development approval in different council areas and increase the efficiency of the planning system.

The SPPs continue the 'no planning permit required' pathway for single dwellings set out in the current planning schemes under Planning Directive PD4.1. This means that in the General Residential Zone only building approval is required where the dwelling complies with quantifiable standards.

Tasmanian Planning Policies

The Tasmanian Planning Policies (TPPs) will express the Tasmanian Government's long-term vision for the State, and for State interests, within the context of the land-use planning system. The TPPs will provide, for the first time, over-arching strategic directions and high-level principles to guide future land use change and inform planning decisions. The TPPs will help shape what Tasmania will look like into the future.

The initial step will be consultation on a range of issues that the TPPs should cover before formal preparation (drafting) commences in 2020. Housing and community development are among the issues that will be addressed by the TPPs to support a strategic and integrated approach to settlement and the development of liveable communities.

Regional land use strategies

Following the development and implementation of the State-wide Planning Scheme and the TPPs, the Tasmanian Government has committed to a comprehensive review of the three regional land use strategies (RLUS).

In the hierarchy of land-use planning instruments, the RLUS sit between the TPPs and individual planning schemes. Their purpose is to express how State interests and policies will be given strategic effect at a regional level, and to establish the frameworks within which future land use change may be considered.

This will be the first time that the RLUS have been subject to review. There is therefore an opportunity to consider a more integrated approach to infrastructure, services and settlement planning in the context of the TPPs.

Medium density housing

The Tasmanian Government is currently working with Hobart City Council to develop a more strategic, precinct-based approach to the provision of housing within the inner city through the Central Hobart Precinct Plan.

This work is also informing the development of Precinct Planning Guidelines through the Hobart City Deal, but these have the potential to apply more broadly as a resource to the State.

Once introduced, the guidelines will support timely development approvals and ensure that new areas identified for renewal or subdivision are well planned with good access to appropriate services and amenities.

The Tasmanian Government is also preparing draft provisions for new medium-density housing to allow for increased residential density in certain areas. The new medium-density standards will provide opportunities for developers to consider a more diverse range of housing, and facilitate innovative solutions to the provision of more affordable housing.

The Greater Hobart Act provides a framework to drive collaboration between the Clarence, Glenorchy, Hobart and Kingborough councils and the Tasmanian Government to encourage strategic decisions across the region. One of the core objectives of the Act is to facilitate and encourage affordable housing and urban renewal.

Successful and sustainable housing markets offer a diversity of housing products, in a variety of locations and a range of prices. This type of housing market is better able to meet overall demand, as well as the needs of a diverse and changing demographic.

The majority of new housing development is located on the urban fringe, mostly as detached houses, with limited investment in infill housing.

Infill housing refers to the establishment of new dwellings within an existing urban area, focusing in particular on the inner to middle areas of a city. Types of infill housing include duplexes, townhouses, ancillary dwellings, terrace housing, and low to medium rise apartments. These types of housing provide a compromise between larger, detached dwellings and higher density apartments.

Infill housing contributes to a more compact urban form, supporting the use of existing infrastructure and services. It increases total housing stock in areas with good access to employment, schools and public transport. In providing a range of housing types, infill housing supports market demand and demographic needs for different types of housing, including smaller and more affordable options.

The Tasmanian Government has commissioned work to identify the barriers and opportunities for urban infill – primarily small to medium gentle infill options – to support a boarder diversity of accessible housing and to complement the State's existing predominately detached housing stock, to respond to the growing demand for well-located housing in our existing urban centres.

The key for any housing market is to achieve an appropriate balance between infill and greenfield housing. Tasmania's very high proportion of greenfield development suggests the Tasmanian Government's increasing focus on infill opportunities is appropriate.

A greater focus on infill within the Tasmanian housing market will support greater housing choice, accessibility and affordability for home owners and renters.

Infill development can be achieved through a mix of 'gentle density' including ancillary dwellings, small subdivisions and small townhouses, appropriately positioned within existing suburbs, combined with higher density low-rise and medium-rise residential developments, close to high frequency passenger transport services.

Ensuring Greater Hobart can deliver a diverse range of affordable housing options suitable for different household types, in locations close to where people work, and services are delivered, will be critical to supporting the long-term liveability of the city.

If the current growth in detached housing continues, urban sprawl will worsen, consistent with the experience of other capital cities of Australia (Sydney, Melbourne, and Brisbane). Impacts include longer commute times, traffic congestion, environmental implications and the unnecessary loss of land for other uses.

The Tasmanian Government is currently developing a promotional brochure to increase awareness and delivery of ancillary dwellings to increase the supply and diversity of small housing options in Tasmania.

The brochure will demonstrate how home owners can either construct an additional but smaller dwelling on their property, or how to utilise the space within an existing floorplan to create a secondary residence. It will be available online and from local government offices.

