

**Thursday 12 July 2018**

The President, **Mr Wilkinson**, took the Chair at 11 a.m. and read Prayers.

**CONSOLIDATED FUND APPROPRIATION BILL (No. 1) 2018 (No. 16)**

**CONSOLIDATED FUND APPROPRIATION BILL (No. 2) 2018 (No. 17)**

**Third Reading**

Bills read the third time.

**HOUSING LAND SUPPLY BILL 2018 (No. 19)**

**Second Reading**

[11.04 a.m.]

**Mrs HISCUTT** (Montgomery - Leader of the Government in the Legislative Council - 2R) -  
Mr President, I move -

That the bill be now read the second time.

In response to the Housing Summit hosted by the Premier on 15 March 2018, the Government committed to further actions to increase the supply of affordable housing.

A key action endorsed by those attending the Housing Summit was the introduction of legislation to fast-track zoning changes for identified surplus government land to accelerate the supply of affordable housing.

While the Government continues to improve the state's planning system, there is capacity to streamline the rezoning of land considered suitable for affordable housing.

Housing Tasmania is the government agency responsible for delivering affordable housing through the Homes Act 1935 and Tasmania's Affordable Housing Strategy 2015-2025.

This bill establishes an effective and appropriate process for rezoning surplus crown land and land owned by Housing Tasmania, for nominating specific planning provisions that apply to certain areas of government land, and for the transfer of any rezoned crown land to the Director of Housing to fulfil the affordable housing outcomes we seek.

Rezoning land requires a rigorous assessment process given its potential impact on property rights. Currently, the standard rezoning process, starting from the point of a request to a local council to initiate a rezoning to the final determination by the Tasmanian Planning Commission, may take longer than nine months. This bill maintains the same important considerations for assessing a rezoning proposal - but it does so in a time frame that could cut six months from that standard process.

The draft bill was released on 30 April 2018 for a two-week period of targeted stakeholder consultation, which included the attendees of the Housing Summit, local government, state

agencies, community housing groups, infrastructure providers and other organisations. The feedback received was constructive and of great assistance to the Government in framing the bill.

Mr President, I would now like to make a few comments about the specific provisions of the bill. The bill provides -

- that the normal assessment processes for rezoning land under the Land Use Planning and Approvals Act 1993 will be overridden to enable the prompt, but appropriate, rezoning of identified areas of surplus crown land and land owned by Housing Tasmania;
- that land targeted for rezoning will need to be suitable for residential development and the provision of affordable housing; and that
- 'interested persons', including neighbouring landowners, local councils, relevant state agencies, service and infrastructure providers and other entities who may have an interest in the land targeted for rezoning, are consulted during the assessment process.

In determining what areas of surplus crown land and Housing Tasmania land are suitable for affordable housing, consideration needs to be given to the issue of access, including access to public and commercial services, to public transport and opportunities for employment.

The bill also provides for 'housing land supply orders' to be made by the Minister for Planning after gaining approval from both Houses of parliament. These orders will specify any zoning change to the surplus crown land or Housing Tasmania land.

These orders will also specify specific planning controls that relate to residential use that will apply to the development of identified government land to enable the land to be more efficiently developed for affordable housing by Housing Tasmania.

An order will declare the rezoned government land, and other government land where specific planning controls apply, to be 'housing supply land', and the bill provides for this land to be made available for management in accordance with the Homes Act.

I emphasise that an order can only be made for a parcel or parcels of land if the Minister for Planning is satisfied that there is a need for land to be made available for the purposes of the Homes Act - and if the land is in close proximity to public and commercial services, public transport and places that may provide opportunities for employment. Also, the land must be owned by the government.

In addition, only crown land or Housing Tasmania land that is government land at the time this bill commences can be included on an order.

However, not all government land can be considered under this bill. The land must not be reserved under the Nature Conservation Act 2002, or managed under the National Parks and Reserves Management Act 2002, or managed under the Wellington Park Act 1993.

Further, the land must not be permanent timber production zone land within the meaning of the Forest Management Act 2013 or be future potential production forest land within the meaning of the Forestry (Rebuilding the Forest Industry) Act 2014.

The zone can only be applied if the land is suitable for residential use where certain prerequisites are met. These prerequisites are similar to those applied under the Land Use Planning and Approvals Act - and this will ensure that any zone change as a result of a housing land supply order will follow a robust and appropriate planning process and not result in poor planning and community outcomes.

The affordable housing outcomes we seek through rezoning certain areas of government land under this bill will be delivered by the land being transferred to Housing Tasmania for management under the auspices of the Homes Act and in line with Tasmania's Affordable Housing Strategy.

The process of creating an order includes consultation with interested persons and the tabling of the order in each House of parliament for at least five days. As I have outlined, 'interested persons' captures not only neighbouring landowners, but also local councils, relevant state agencies, service and infrastructure providers and other entities.

Interested persons can make submissions to the Minister for Planning in relation to a proposed order and the order (when tabled in parliament) must be accompanied by all the submissions received, together with a prepared response to issues raised. An order cannot be made if either House of parliament disallows it during the five-day disallowance period.

To address concerns that land rezoned under this bill may not deliver a further supply of affordable housing, any land under this bill that is subject to an order will be vested in the Director of Housing, and the director is to take all reasonable steps to ensure that 'housing supply land' is applied for the purposes of the Homes Act. Given that affordable housing in Tasmania is delivered under the Homes Act, there is no need to replicate this operation as part of this bill.

The bill provides the ability to modify an order once it is in place. As with the original order, any amendment is subject to the scrutiny of parliament.

The bill also provides the Minister for Planning with the ability to revoke a housing land supply order if the land has been developed for affordable housing or the land is no longer suitable for the provision of affordable housing.

Once an order is issued or revoked, the Tasmanian Planning Commission will be directed to amend the existing planning scheme to be in accordance with the housing order or revocation. The commission will also have the ability to correct any minor errors or anomalies when finalising the amendment to the planning scheme.

After the commission has amended the planning scheme, the Minister for Planning will notify the interested persons that the amendment has been made; and give notice of the amended planning scheme in the *Gazette* and in the newspaper.

Importantly, the bill contains a restriction on future actions in relation to housing supply land, in that the land cannot be further rezoned without the permission of the minister of the day. This ensures that land deemed appropriate for affordable housing cannot, at a later date, be rezoned without the minister's approval.

However, once the land ceases to be housing supply land, any future approvals would be made in accordance with the land use planning processes under the Land Use Planning and Approvals Act.

Importantly, the bill will provide an opportunity for the early application of the State Planning Provisions to land which has been approved as being appropriate but to which the provisions do not yet apply.

This bill has been significantly revised from the initial draft bill that was circulated for targeted stakeholder consultation in late April and the Government has listened carefully to the very constructive feedback that was received.

This refined bill delivers on what the Government committed to do - to fast-track zoning changes for identified surplus government land - and the Government has achieved this without compromising the existing land use planning considerations. This bill will ultimately deliver a greater variety of options for Housing Tasmania to roll out affordable housing faster.

At the same time, it is important to understand that this bill provides a medium-term solution by making additional land available for Housing Tasmania to deliver its affordable housing programs.

Many of the factors that affect housing affordability are driven by factors outside the control of the planning system. Therefore, the planning system and this bill alone will not solve the current housing affordability issues Tasmania is facing.

However, it forms part of the Government's multi-pronged solution - by helping to ensure there is a sufficient supply of appropriate land available, and a variety of affordable housing options, for Housing Tasmania to deliver its programs through Tasmania's Affordable Housing Strategy.

I also note that the Government is committed to undertaking further work to examine how dwelling density can be better provided for in the planning system; how affordable housing can be better provided for in the planning system; and how subdivision implementation can be better provided for, including by potentially reviewing and amending relevant legislation.

In conclusion, the bill provides a streamlined process to rezone appropriate surplus crown land and land owned by Housing Tasmania, as agreed by the participants at the March 2018 Housing Summit.

It provides for consultation with interested persons and a detailed assessment of the identified government land to ensure its suitability for residential use.

The bill delivers on the Government's commitment to accelerate the supply of affordable housing by increasing the supply of land deemed as being suitable in accordance with the Homes Act 1935 and Tasmania's Affordable Housing Strategy 2015-2025.

Mr President, I commend the bill to the House.

[11.17 a.m.]

**Mr WILLIE** (Elwick) - Mr President, I will start by giving credit where credit is due. I have shown consistently in this place that I am not afraid to hold the Government to account but I will -

**Mr Dean** - You realise this is the first time.

**Mr WILLIE** - No, it is not true. The other day I was talking about child and family centres in a positive way. They are 'learning hubs' now.

**Mrs Hiscutt** - Do not interrupt him.

**Mr WILLIE** - Certainly I am not afraid to hold the Government to account, but in this instance I give credit where it is due. This bill put forward by the Minister for Housing, in simple terms, will facilitate the rezoning of crown land for the purpose of affordable housing supply. It is significantly different from the first draft and I acknowledge the minister has listened to feedback and altered his approach.

This bill is a good start but on its own it is no solution to the housing crisis. I thank the Government for the comprehensive briefing from the department which covered the time lines and reasoning for the redrafting. I also acknowledge the minister's planning adviser for his constructive approach.

My colleagues in the other place went through many of Labor's questions on my behalf and I know they also gave the minister some possible amendments. I flag that we will not be moving those as I am satisfied with the minister's explanation in *Hansard* and during the briefing yesterday.

Our concern with the first draft of the bill was that it did not include a definition for affordable housing. This bill addresses that issue in quite a clever way that still allows flexibility depending on the identified parcel of land. The definition of affordable housing is not included in this bill because it is not necessary. This is because the legislation will facilitate land transfers to the Director of Housing and then the Homes Act 1935 applies. That sets out the power and responsibilities for the Director of Housing. In a way this provides the framework for delivering affordable housing.

I will read two relevant sections of the Homes Act 1935 into *Hansard* to highlight the point I am making. Section 2, Purposes of the Act, reads -

The purposes of this Act are -

- (a) to provide, or to enable the provision of, housing assistance to eligible persons; and
- (b) to assist in the provision of housing support services to eligible persons.

Further on in 6B, the act discusses purposes to be taken into account by the director -

In performing a function or exercising a power of duty under this Act the Director must, to the extent practicable given the financial and other constraints on the performance or exercise of those functions, powers or duties, take into account the following purposes of this Act:

- (a) to enable persons to reside in residential accommodation that is safe, secure appropriate and affordable;
- (b) to promote and enable the provision of safe, secure, appropriate and affordable residential accommodation;

- (c) to provide housing assistance, and enable the provision of housing support services, so as to assist in the economic and social participation of persons who, without such provision, may be restricted, in whole or in part, from economic or social participation in society;
- (d) to encourage and enable the integration, into existing and new housing communities, of -
  - (i) persons with diverse characteristics and diverse financial, social and personal circumstances; and
  - (ii) residential accommodation that is owned or leased by such persons who reside in it or that is provided to such persons by way of housing assistance;
- (e) to ensure that housing assistance is, and that housing support services are, able to be, provided -
  - (i) to the persons most in need of such assistance and services; and
  - (ii) for the period that such assistance and services are required to be provided to those persons;
- (f) to encourage the development of flexible and innovative financial arrangements that facilitate the ownership, leasehold or occupation, of residential accommodation by persons on low or moderate incomes;
- (g) to recognise and respect the wishes and needs of persons to whom housing assistance is to be provided, and those persons with whom they reside or are to reside;
- (h) to provide housing assistance, and assist in the provision of housing support services, in a manner that enables effective scrutiny of such provision and assistance.

In the other place, Mr President, the minister talked about the need for flexibility and that mandating a percentage of affordable housing might be inappropriate on a particular site. For example, there may be a high concentration of public housing on that site or close to that site already. We need to be able to be flexible to ensure there is a good social and development mix.

I accept the Government's goal is to produce as much affordable housing as possible, and the Director of Housing has some pretty strong responsibilities and powers under the Homes Act that will ensure that goal is achieved. I accept the Government's intent and, as stated, any transfer the Director of Housing makes means the Homes Act applies.

I also understand that flexibility is needed so Housing Tasmania can carefully manage a mix of tenancies, and this includes private affordable home ownership as part of a mix in any development. We know home ownership can create strong communities. We know home ownership is a very important part of a strong community. We know it is good to have a mix of private rental, public housing and private ownership as a part of any modern social development.

Mr President, a good definition that is widely accepted for affordable housing was included in TasCOSS's submission. It includes the 30:40 rule. Housing is affordable for people in the lowest two quintiles of income when they are paying no more than 30 per cent of their income for rent or mortgage obligations.

As highlighted by the Homes Act, I am very comfortable this definition will be met in many instances. The Government needs to ensure that parcels of land selected are close to services, the housing delivered is energy-efficient and there is access to transport so tenants are not burdened with extra costs. I appreciate the minister's strong intent to ensure housing is delivered in those circumstances.

The Government is asking members of parliament to be the decision-makers rather than planning authorities for the first part of the rezoning. Some of the parcels of land identified in the initial land supply audit included 239 hectares. I assume some of these parcels of land identified will be some of the first tabled in parliament. Springfield Gardens Primary in my electorate has land surplus to requirements. It is close to services and there is a general acceptance among the community that schools will be redeveloped after quite a number of changes right across the northern suburbs.

Will the criteria used for the original audit be narrowed and refined to get the best outcomes? Will that information be made available to the public and members of parliament when the audits are tabled in parliament?

We will receive a justification and explanation on what the development might look like, but will a criteria-based assessment be used? When a teacher, I learnt that unless criteria are carefully developed, it can lead to important considerations being overlooked. Will criteria be used and made available?

**Ms Rattray** - I asked for a copy of the surplus land audit yesterday in the briefing and we were told there is an overlay. I am still waiting to see, as it has not yet arrived.

**Mr WILLIE** - Perhaps you will take that up.

**Ms Rattray** - I will.

**Mr WILLIE** - The minister was less than clear in the other place on how many houses this would deliver. Since then we have had clarification, with members receiving the document yesterday morning. According to ABC reports, when the initial land audit was completed, the Government estimated up to 3000 houses could be delivered by making crown land available. In the wake of the Housing Summit, only a couple of days later, the Premier clarified the claim to 2000 homes. From debate in the lower House, I know the Government now plans to also look at land that includes dwellings. What were those estimates based on? Will this bill facilitate more than 2000 homes, given the Government is now looking at land containing dwellings that may be suitable for rezoning and repurposing as residential?

The Government is now saying it does not know how many homes can be delivered. In the wake of the Housing Summit it was keen to claim 3000 homes and then 2000. What did it base those estimates on? It has backtracked again and is saying it does not know. It is a reasonable position that it does not know, because subdivision plans and a whole lot of other things need to occur, but what was it basing those estimates on originally? It seems like a media message, without

a lot of substance. Will the Government's commitment of \$25 million per year be enough to facilitate all of the construction? There is \$45 million in the current year, but then back to \$25 million. All this land will be made available and there are time frames. Orders can be made within five years and a 10-year time frame for development.

Has the Government allocated enough money through the forward Estimates to develop the identified land given the housing shortage? Will there be a review of the budget circumstances if more funding is required? Where are all the skilled workers going to come from? There are 1800 fewer apprentices and trainees since the Liberals took government in 2014. To use a phrase attributed to the minister, 'Has the state been caught napping?' With a population growth strategy target for another 8000 people by 2020, the Government better work these things out and quickly. The population as of 30 December 2017 was 522 000, so it is likely but not certain, to hit its 2020 target. By 2030 the target is 570 000. If the Government planned and achieved the population growth it is aiming for, why did it not foresee the housing issues that could create?

On top of driving the population, the Government deregulated short stay accommodation, despite warnings from a range of stakeholders including THA, the Tourism Industry Council Tasmania, Shelter Tasmania, TasCOSS, UTAS and a whole range of other organisations, plus Labor. We have continued to advocate for some basic regulatory principles that would have protected people against this. This legislation is an acknowledgement the Government does not have its population growth strategy right. It has driven the demand for housing, but completely missed the corresponding supply issues that would create. On top of this, four years after the election, a statewide planning scheme is still missing. The interim planning scheme is clearly failing to adequately deal with the development applications in time frames that allow housing supply to respond to the growing demand.

Had the Government been adequately prepared for population growth, this legislation may not have been so urgently required. I am not against population growth. It has many benefits. I am acutely aware that many Tasmanians are seeing no benefit. I have met many Tasmanians who have become homeless and say their life circumstances have gone backwards. That is a direct result of government policy settings.

Rezoning through the parliamentary process should take less time. Hypothetically, if you measured the time taken from the initial work of the Government all the way through the Tasmanian Planning Commission's sign-off, it would be a 90-day process, including community consultation with interested persons, a submission process, government responses, and review and concept plans.

Is it really going to speed up the process? The Government is saying it will speed it up by six months. Is the Government prepared to provide the information when it brings orders to parliament, whether we are going to speed up the process that much from initial engagement?

This is no solution on its own. As the minister and I discussed yesterday, many of the delays when it comes to housing supply are around post-planning approvals. I was pleased to hear the minister is looking at this. Omnibus-type legislation may come to the House later this year to address some of those things, including infrastructure being implemented in a timely manner.

The ability of the minister to revoke an order is important. My colleagues in the other place expressed my concern that the Director of Housing might be left with unintended land management costs that could be counterproductive to producing more houses. That is taken care of in clause 14.



Under that clause, a minister can revoke a housing land supply order and the land in question can be returned to the Crown for another use.

I had some initial concerns about the five-day disallowance period, not because I want to see unnecessary delays, but because of the period of time been put in the legislation. I had a look at the Acts Interpretation Act -

**Ms Forrest** - A very informative act. Everyone should read it regularly and keep up to date.

**Mr WILLIE** - Five days might not be enough time for some of my colleagues in the upper House to go back to their communities and corroborate what the Government is saying. I did not want any unnecessary hold-ups.

**Ms Forrest** - Good to see such scrutiny. I am very impressed.

**Mr WILLIE** - Yes. The Government does not have to panic because I am not going to move an amendment to increase it to 10 days.

I will go through the Acts Interpretation Act. Under 47, Regulations, subsection (3), it says -

The following provisions apply to regulations made under the authority of an Act, unless the authorizing Act expressly provides otherwise:

- (c) the regulations shall be laid before each House of Parliament within the first 10 sitting days of the House after the regulations are so published or, as the case may be, the making of the regulations is so notified.

The common understanding is a disallowance instrument would be 10 days.

**Ms Forrest** - We are dealing with a slightly different thing here. It is an order. It does not go to the Subordinate Legislation Committee. It sometimes takes longer to get through the subordinate legislative process.

**Mr WILLIE** - Yes. The point is, five days is very short and I had not seen it in my time here in some of the acts, such as the Crown Lands Act 1976. Crown land is permanent timber production zone land. There is a five-day notice to disallow, then there are some that go much longer, including declaration of major infrastructure projects, which is 15 days. Provisions under the Land Use Planning and Approvals Act 1993 give 15 days. It seems there is a variety of time frames for parliament to act on these things. If the Government does the work and the consultation properly and makes the case, the five days should be more than enough time, particularly given the minister's statement yesterday that he would like to see potential concept plans and development details included in those orders.

As members of parliament, we should get a very good understanding of what kind of development will take place on those identified parcels. It is the responsibility of government to make the case and to seek approval from the House.

I will not dwell on that point any longer. I only thought it was unusual when that was included. I believe in the original act - and I do not know whether the advisers will be able to help me - it was three days and that has been extended out to five days. They have made a bit of a concession there.

Housing and homelessness is not simply a social issue, it is a key economic challenge faced by government. In the short term, the Government has committed to the delivery of 444 new social houses by June 2019, but that is not enough. In the meantime, priority applicants are waiting 72 weeks, which is out from 63 weeks for the previous quarter and 43 weeks from the previous year. We are seeing a rapidly declining waiting time for priority applicants. Priority applicants are assessed as having urgent housing needs. They are couch surfing or homeless and particularly vulnerable; they might be fleeing family violence and they might have children. To wait 72 weeks, on average, is difficult for them. I would say it is catastrophic in their lives. Being the shadow housing minister, I often get constituents from around the state who have waited much longer than that and continue to wait.

**Mr Finch** - It makes you wonder how they are living their lives. Imagine if we were placed into those circumstances and there was a blockage to getting suitable housing - how do you exist? How much can you draw on your relatives and friends to support you for that period? It must be unbearable.

**Mr WILLIE** - Yes, we have talked about that in the past in this place. I refer to Maslow's hierarchy of needs: if you do not have basic shelter and security in your life, you cannot self-actualise, you cannot reach your potential and you are simply existing. It is very tragic when people who are particularly vulnerable have this crisis in their life. Governments of all levels need to rethink housing across the country. We are a wealthy country and we cannot provide the most basic of needs to our populace. That is a reflection of priorities of governments and it can be addressed. There are countries around the world doing amazing things on this issue.

I hope that housing is a big issue in the approaching federal election. I say this from a millennial's perspective, having plenty of friends and others in good jobs who are struggling to break into the housing market. I believe housing will politicise a whole generation of young people who are locked out if we do not address some of these issues.

At a federal level, on that point, the rapid commodification of housing cannot continue. Owners with capital assets that are growing rapidly faster than workers' wages is a recipe for inequality. Negative gearing and capital gains tax concessions must be addressed. This is not just a social issue, it is an economic one. Having so much national capital invested in existing bricks and mortar and not in other nation-building projects is silly economic policy and it has a social cost.

Mr President, if housing and homelessness is really going to be addressed, we need the state Government to uphold its responsibility, and we also need the federal government to significantly invest in social housing. The current federal government does not even have a minister for housing and homelessness. There is no priority of this federal government to address this issue. It is not prepared to look at tax concessions that are benefiting investors. We continue to have a housing legacy debt for the costs of previous generations for which the current generation of people accessing housing services is paying the price. We have seen an unwillingness for that to be forgiven by the federal government. I hope the new Housing minister understands that issue and is talking to his federal colleagues about it. I hope he may open some doors and lift some of his federal colleagues' horizons and state the important case that half the partnership money this state receives for social housing every year goes back to the federal government to service that debt. That is significant year on year. Nearly \$16 million every single year is not being invested into social housing because we have this legacy debt.

On my side of politics, I am talking to my federal colleagues about it. Senator Doug Cameron, the shadow minister for housing, was in this parliament last week so I caught up with him. I showed him the debt repayment schedule and strongly said that if Labor wins the next election - and I strongly believe it will - I will be on the plane to Canberra, even though I am the opposition housing spokesperson, and I will be talking to everyone who will listen in the next federal Labor government to forgive that debt.

Finally, I highlight the point that along with the public housing sector - which is essentially what this bill is about - the private housing sector can also contribute to affordable housing. I think lost in translation in the other place is that inclusionary zoning can deliver more affordable housing in the private sector. My boss, Opposition Leader Rebecca White, in her budget reply, put a policy marker in the ground and said the Opposition will take an inclusionary zoning policy to the next election and will spend our time in opposition consulting with stakeholders. My initial interaction with stakeholders has been very positive. They are very keen to see an inclusionary zoning policy taken up by the state, whatever colour the government.

It works very well in South Australia, the ACT and, to a lesser extent, New South Wales. In fact, South Australia has a 15 per cent affordable housing quota. Many of the developments are delivering 20 per cent or more because the private developers have changed their business model and they can produce more affordable housing and make it stack up financially. It is a very good way, given that most of the prime residential development land is privately owned. We are only talking about 239 hectares of crown land here. There is a lot more privately owned land that may be zoned incorrectly. For example, in my electorate in the northern suburbs there are 44 hectares of commercial and light industrial land around a rail corridor. That is a prime opportunity to address some of Hobart's housing supply issues. If, or when, we put a light rail service in, that will send a signal - hopefully, it is part of the 'city deal', but I am sceptical about that - to developers that here is a permanent piece of infrastructure and there is a transport solution. That whole project should be viewed as a transport solution for social outcomes and for urban renewal. If we could start building more medium-density housing, potentially with inclusionary zoning provisions in place in the planning system, and we could rezone that area of land to residential, that would be a massive opportunity for Hobart. It is a game changer. We are very keen to take an inclusionary zoning policy to the next election. If the Housing and Planning minister wants to talk to the Opposition about that during this term of Government, we will listen.

There are two ways to go about inclusionary zoning: mandate or create incentives so a proportion of residential development will include a number of affordable housing dwellings. As part of the planning process there are two primary approaches to building affordable housing. The first is the mandatory model, which is a condition of planning approval that requires a number of affordable homes to be included in the development. Under inclusionary zoning, the number of affordable homes a developer is obliged to build is determined by either negotiated agreements made between developers and the planning authority during the planning assessment process or fixed requirements specified as a proportion of housing or development value.

The second approach is a voluntary incentive model when new affordable housing is encouraged by reducing costs for developers. Incentives can include modifying planning standards based on performance criteria. For example, increasing site yield to encourage low-cost housing like boarding houses, student accommodation and retirement villages in designated areas. Bonus systems relax specified development controls, typically height, density, set-back and parking controls in exchange for constructing dedicated affordable housing. There are planning process incentives where projects that include affordable housing attract special treatment in the planning

process - a bit like this bill. This could include fast-track approvals and reduction, exemption or refund of application fees, infrastructure charges or rates.

Madam Deputy President, this bill cannot be viewed in isolation. There needs to be a suite of responses from the Government to address the critical lack of affordable housing supply. I encourage the Government to look at other ways as well as using crown land that we can deliver more affordable housing so that Tasmanians can have that basic need, basic fundamental right, of shelter and feeling safe so that they can build a foundation for a happy life, potentially with their family, and reach their potential.

Labor will be supporting the bill and we look forward to better outcomes for Tasmanians doing it tough.

**Mr Finch** - Madam Deputy President, before you sit down, member for Elwick, through your research for your presentation today, did you get a sense, on a statewide basis, of where the pockets of need are? You talked about Hobart and the southern part - and we realise there is a dynamic going on here - but did you get a sense of what might be happening around other parts of Tasmania?

**Mr WILLIE** - Yes, I know Launceston is starting to experience similar issues. Many of the emergency accommodation options in Launceston are full.

**Ms Rattray** - East coast, north-east?

**Mr WILLIE** - East coast, north-east. You have the rapid expansion of short stay accommodation in the private rental market contributing to that too, pushing people out. Then there is no social housing to pick up the pieces and support people. This issue should have been thought about before deregulating short stay accommodation, before having a population growth strategy with no infrastructure or housing plan.

We can address these issues but we are doing it back to front. This bill should have been put forward earlier; the Government should have said, 'We have a population growth strategy, we are going to need more houses.' There will be growing pains, as the Government says, but there has been no forward planning, and now we have people who are homeless because of government policy settings.

[11.49 a.m.]

**Mr GAFFNEY** (Mersey) - Madam Deputy President, I appreciate the contributions made by the Leader and the member for Elwick. I will try to focus more on the bill in front of us because that is what we are here for.

I congratulate those involved with this bill. I think all of us in this Chamber have had very little negative feedback from groups around the community. I have not had any personally. I know initially with the original bill there were some concerns and they have been addressed. One of those groups that had some concerns was TasCOSS, but we all received a letter from it, which I will take a couple of sentences from -

The Minister and his team were proactive in ensuring this feedback was considered and Temporary Emergency Residential Planning permits element of the bill has been removed. TasCOSS is therefore satisfied that the draft Bill before the Legislative Council will no longer presents potential unintended

consequences as outlined in our original submission. The draft Bill has potential to accelerate supply of affordable housing to alleviate pressures on people currently experiencing homelessness.

There was a lot of media coverage at the time of the Housing Summit. I believe the Government is following the correct process by looking at the different ways it can increase the supply of land so residences can be built. I congratulate it on that. I appreciated the minister talking to us - he is across his portfolio - and I thought the questions and answers we received as part of that package were very good and informative.

I understand the Labor shadow minister has to highlight some other policy issues, but from my point of view we should confine ourselves to the bill in front of us. There was some very good feedback. We had no negative reactions from local government. My area is one of those with a gripe so if this was going to be an untoward issue, the local council would have been on the phone to me straightaway about it.

Leader, is there potential to put on the *Hansard* the relationship between the Housing Land Supply Bill, regional planning, the number of blocks available within a local council or local government area and how this bill may alter that relationship? For members who do not know, sometimes councils are allowed to open only so many blocks, make so many residential blocks available because there has to be some control over the management of those available in a certain area.

Identified needs were mentioned but there will be other areas and things that will impact. It is a good idea that stakeholders have the right to comment and provide feedback on the process. That is a very good way of operating. I am also aware that the release of land through the Crown, through this supply bill, may impact on the cost of, or the potential revenue for, private developers. Those developers may run the gauntlet of putting in footpaths, water and sewerage to the blocks, and then they find that right next door 100 blocks will be available, which may decrease the market value of their blocks. That needs to be explained and commented on, and they would be able to do that.

This is a very good bill that is purpose-built to try to start the process. The minister acknowledged yesterday in the briefings that the Government has many other strategies to look at but this bill is starting the process. I congratulate the Government. I also acknowledge the Labor Party's and the Greens' approach to this. They had some initial concerns but, as we have just heard, they also support this bill because they see the intended consequences will be better for the housing situation and will hopefully alleviate the problems.

People who have been involved in planning at any level know it is never a quick process. As soon as you have a quick process, the negative consequences are found out when it is put to the test. The Government has to ensure it has this right so there are no indirect negative consequences of any legislation passed in this place. I support the bill and I congratulate the Government for its stance.

[11.54 a.m.]

**Ms RATTRAY** (McIntyre) - Madam Deputy President, I place my support for the intent of the bill on the public record. It is a reasonable and a proactive approach to what we have heard for quite some time now. Housing - and affordable housing - is a real issue in our state. It is all right to say there are particular houses but we know that some private rentals, if there are any available in some of the more isolated areas, are up to \$300 a week. I saw one for rent in the town where I

live for \$300 a week. That is a lot of money a week to have to pay if you do not have full-time employment and if you are relying on some kind of benefit to come into your household. It is exceedingly difficult.

As I mentioned in the briefing yesterday, this bill is welcomed. I very much appreciated that the minister was not on holidays and was available. That shows a commitment to his role and to this very important issue. Congratulations to the minister for making himself available to members, and for not taking up too much time with an overview and letting us get on with the questions.

I asked yesterday about Treasury's surplus land audit report. I was told an overlay is put over that audit report. I understood we were going to receive that. It is not critical to my support, but I am interested in where those potential 289 hectares of land parcels sit. The second reading speech says -

I emphasise that an order can only be made for a parcel or parcels of land if the Minister for Planning is satisfied that there is a need for land to be made available for the purposes of the Homes Act -

The member for Elwick has given us some extensive information on tying this in with the Homes Act and why that is a reasonable thing to do. It goes on -

... and if the land is in close proximity to public and commercial services, public transport and places that may provide opportunities for employment. Also, the land must be owned by the government.

I suggest many outlying areas do not meet many of those criteria, and that is my concern. We had this debate the last time we were in this place - that need is not only in Hobart and Launceston, it is widely spread. That concerns me somewhat. The proximity to public and commercial services and public transport in some of my areas is such that the public transport might be one taxi, or it might be the Redline bus that goes into Launceston and out and does not move around the vast part of the municipalities. I am concerned about that.

Also, it says 'may provide opportunities for employment'. Is that employment for those people living there? An important part I am talking about now is the perimeters of what these parcels of land are going to be opened up to. Is it around providing opportunities for employment for those who are going to be living in the area or for those who are going to be working on the building? We know many of the workers in the major firms that build houses, such as Wilson Homes, Fairbrother and Hotondo Homes - I have not seen too many large Hotondo developments of late but they may well be in other parts I do not see - usually travel from Launceston or other major cities. I do not know of any who live in the more outlying areas because most of their work is bigger work which is centred on the larger cities. I am keen to have a fuller understanding of how that will work and how the rubber will hit the road on the east coast, and in the north-east and the north-west. The member for Murchison will look after her own patch - she does that very well - but down the Huon and anywhere else where there is a problem with accessing affordable housing -

**Mrs Hiscutt** - Before the member moves on, could I ask you to adjourn the debate for the purpose of the briefing?

**Ms RATTRAY** - I was just getting started, Mr President.

**Mrs Hiscutt** - I know. We will have only a half-hour briefing and then we will come back.

**Ms RATTRAY** - In light of the Leader's pleasant approach, I move -

That the debate be adjourned.

[12.01 p.m.]

**Ms FORREST** (Murchison) - Mr President, I would just like to understand what the briefing is on. Is it on this bill?

**Mrs Hiscutt** - No.

**Ms FORREST** - Sorry, I apologise. One was flagged earlier.

**Mr Gaffney** - It was already scheduled and there are people here.

**Ms FORREST** - That is all right; I thought we were going to have a briefing on this again. I was not sure why we needed it.

**Mrs Hiscutt** - No, we do not need a briefing on this again.

**Ms FORREST** - That is what I thought. Thank you, Mr President.

**Debate adjourned.**

## **SUSPENSION OF SITTING**

[12.02 p.m.]

**Mrs HISCUTT** (Montgomery - Leader of the Government in the Legislative Council) - Mr President, I move -

That the sitting be suspended until the ringing of the division bells.

This is for the purpose of a briefing.

**Sitting suspended from 12.01 p.m. to 12.40 p.m.**

## **HOUSING LAND SUPPLY BILL 2018 (No. 19)**

### **Second Reading**

**Resumed from above.**

[12.41 p.m.]

**Ms RATTRAY** (McIntyre) - Mr President, before the adjournment, I was talking about my concerns about the perimeters set in regard to parcels of land for housing - that they needed to be near public and commercial services, public transport and places that may provide opportunities for

employment. I do not want those perimeters to be so rigid they will not be able to expand into regional areas that also have affordable housing issues.

In the briefing I also raised the issue of the cost of the public affordable housing built in recent times. I challenged the minister yesterday around its average cost; that information was not available but I was told the average cost was around \$2000 to \$2500 a square metre. What size is the housing that is normally built? They will have to be built to a very high rating for energy efficiency. The ongoing costs of providing electricity can be difficult, particularly when Housing Tasmania has a policy of no more wood heaters. People struggle to pay electricity bills, but they can source firewood from many sources, particularly from family and friends. They do not necessarily have to buy wood from wood merchants, which can be quite expensive, but they are able to source wood from various legal places. I am not suggesting people should do it illegally. Plenty of farmers will say to people, 'A few trees have fallen down, cut and stack them and they will dry out before next winter.'

I am concerned we keep the focus on cost. This is supported by Anglicare CEO, Chris Jones. Matt Maloney, in an article in the *Examiner* on 25 May, wrote in regard to this particular issue -

Anglicare chief executive, Chris Jones, said affordable housing needed to be built for \$180 000 or less and rented or sold at a price that didn't place a household in housing stress.

There we have someone working in the affordable housing and housing crisis space who supports keeping the cost of these houses at the lower end of the scale and that they do not need to have gold-plated bells-and-whistles everything.

I acknowledge the heating and energy efficiency aspect, but we still have to be mindful that people would love to have a new home where insulation helps with energy efficiency and the windows are properly sealed. It does not have to be gold-plated. I would like the Government to keep this in mind. A couple of years ago, at a launch of a couple of houses in the south of the state, the cost quoted was \$400 000 per home, an extraordinarily high price for a house. Someone living with a disability needs to have wider doorways. I understand all those aspects. You cannot tell me wider doorways and hallways and rails in the bathroom can add up to that increased amount.

**Mr Willie** - Often a lot of the cost can be structural if there are things like rail tracks in the roof. Disability approved housing can be 25 per cent extra. Most social housing does not cost as much. Energy efficiency is important, because it is such a big cost.

**Ms RATTRAY** - I acknowledge that. I am not the only one asking that they try. With \$45 million up-front and \$25 million ongoing, more houses will be built if costs are kept down. We are looking to spread this across the state. I am asking, on behalf of my community and all Tasmanians, that they all have the same opportunity to have affordable, good quality housing.

The second reading speech talks about 'interested persons' and captures neighbouring landowners, local councils, relevant state agencies, service and infrastructure providers and other entities. Does 'interested persons' cover anyone outside the adjoining landowner and neighbouring landowners? How far does 'neighbouring landowners' go, not necessarily just 'adjoining'? Dorset Council gave some surplus land to CatholicCare, which is going to build three units on a block next door to my daughter's house. We did not, as a family, lodge an objection. She understands the need for housing and does not object. We negotiated a new fence, which was useful because the fence



needed to be higher and in better order than she had as a neighbour to the council on that existing block. How far does the neighbouring landowner go?

Some 12 months ago there was a plan for eight blocks of land, side by side, in the Dorset municipality. Dorset Council gave the blocks to CatholicCare to build social housing but the community, unfortunately, did not support the initiative in such a concentrated area and the blocks have now been spread across the town with a much better outcome. A couple in the original area, but another couple spread around the town. Does it cover neighbourhoods and not just neighbours?

I listened intently to all contributions, particularly on rushing a process and associated pitfalls with these very short time frames and bypassing some of normal council requirements for land development, so that we do not end up with a Building the Education Revolution-type situation.

Tasmania fared pretty well through that. There were not too many bad outcomes for buildings around the state. Some would say some buildings were revamped, redeveloped or established that perhaps in hindsight did not need to be there for the future. I do not believe that is the case here. It is the quality of the work. You have to be careful you are not rushing things and the quality of the housing suffers. You want these homes to be quality homes long into the future. It is just a word of caution - we do not want to end up like some of the mainland states which rushed through their BER funding process and ended up with some bad quality of workmanship outcomes. I know the Government will have a clear watching brief on that.

I noted, and two previous members mentioned, that TasCOSS supports this. Shelter Tasmania also provided a submission to honourable members.

It was interesting to read some of the figures provided in the Shelter Tasmania submission by Pattie Chugg, a former schoolmate of mine. Under the heading 'Need for affordable rental housing and enduring public benefit', it says that Shelter Tasmania recognises that affordability applies to both home purchase and rental housing. Further -

However, 59% of the 54,000 households that rent their home in Tasmania are low income earners. More than 8000 of these live in rental stress, paying more than 30% of their gross household income on rent.

Renting is becoming the norm and approaching similar levels to home purchase. More than 40 per cent of renters rent their homes for longer than 10 years. Pattie goes on to say -

It is increasingly the case that many renters will not reach home ownership due to the growing gap between income and house prices.

These are some very sobering figures. It certainly confirms information I have on the issue of affordable rentals and the stresses that come with that and the lack of housing across our state.

I will support the legislation and I congratulate the Government on this initiative. As we heard today, it will take more than one initiative and it will take time. We need to continue to be proactive in this space.

I also commend those who have been working hard on this legislation. It is not easy to get a bill ready and up in such a short time. Congratulations - and I look forward to any gold shovel that is going to be around in my patch.

[12.54 p.m.]

**Mr DEAN** (Windermere) - Mr President, I support the bill. It is a good bill. Like the member for Mersey, no-one has come to me with any real issues on this bill at all, other than their support for it, which is gratifying.

I thank the Leader of the Government for yesterday's briefing, which answered a number of my questions and issues.

I was concerned that once this land is opened up - once it gets the go-ahead and processes are speeded up for that - we could see a number of affordable homes being built close to one another. We cannot have that occur. We have learned from previous development of such greenfield sites - and there are a number in my area - that it can bring immense problems. We need to intersperse those homes with other accommodation opportunities, and is what will happen here. If you look at the list provided, some areas are not all that great. How much would be opened up for private property as opposed to affordable housing? Some of these areas are not big, so I am not sure how that will occur, but I am satisfied attention will be given to that as we proceed.

The member for McIntyre refers to the cost of the homes. It does not matter whether they are built as affordable homes - they still need to be of good quality and standard, and they need to have those things we are all entitled to in a house. We should not skimp and save trying to keep the cost down to \$180 000 if we cannot provide everything required in those homes. Any new home build, particularly in the affordable housing area, ought to have solar, even just hot water solar systems. Electricity and energy prices are increasing all the time. The cost of putting in solar is not great. That would help support these people; it is those costs of living that really bring them down.

I went to Dover Village which is a good example of what should not happen in the future. A lady was sitting over a Pureheat heater, and you could see the dollars churning through it because such heaters are expensive to run. They ought to not be in these houses. Community Housing, Housing Tasmania and others say they will not replace these heaters until they malfunction. They need to be moved out quickly. This lady said she had a \$700 heating bill for the last three-month period, and this is not the coldest period. Part of it was in the coldest period, but not the whole three months. That \$700 was money she did not have, but she had to have heating. The house was quite hot, and not a home I could live in.

We need to get things right. They need to be insulated properly, have all the facilities to keep heat in and cold out in winter and the heat out in the summer. Homes can be built this way now and require little heating and air conditioning.

It is a matter for the parliament to determine whether these sites will be accepted as being suitable or not, and that there were no real appeal rights. However, it was corrected a little later on, because there are appeal rights and a process appeal can take at any time in the Supreme Court. If there is noncompliance with the bill, an appeal can be made to the Supreme Court.

Where people feel they have been hard done by and the legislation has not been properly followed, there is a process for appeal. The member for Elwick said it does not resolve our problem, and he is right.

**Mr Willie** - Are we in agreeance?

**Mr DEAN** - We are. That is probably the second time the member for Elwick and I have agreed. It is a move in the right direction. If the processes work and speed it up and we get to the stage of being able to build houses on these properties, it is a start. That is a beginning.

**Sitting suspended from 1 p.m. to 2.30 p.m.**

## **QUESTIONS**

### **Disability Insurance Scheme - Costs**

**Ms RATTRAY question to LEADER of the GOVERNMENT in the LEGISLATIVE COUNCIL, Mrs HISCUTT**

[2.31 p.m.]

The budget papers describe the increased demand for services caused by 'the introduction of the Disability Insurance Scheme and an ageing population with increasing cases of dementia'.

- (1) Is this why the budget allocation for 2018-19 has increased by \$133 000?
- (2) Why will a significantly lesser increase - \$45 000 - be needed in 2019-20, with larger increases - \$84 000 and \$92 000 - in the two subsequent years?

### **ANSWER**

Mr President, I thank the member for McIntyre for her question.

- (1) The increase in budgeted expenditure in 2018-19 is associated with additional funding provided in 2018-19 due to indexation.
- (2) These funding variations relate to the provision of additional funding due to indexation. The department is currently undertaking an analysis on whether this funding is sufficient given the impacts of the introduction of the National Disability Insurance Scheme, an ageing population with increasing cases of dementia, and other factors affecting this jurisdiction, including an increased awareness of elder abuse.

### **TT-Line Borrowings**

**Ms FORREST question to LEADER of the GOVERNMENT in the LEGISLATIVE COUNCIL, Mrs HISCUTT**

[2.33 p.m.]

With regard to TT-Line -

- (1) When is the deposit of \$140 million to secure the purchase of new vessels to be paid?
- (2) What is the purpose of borrowings noted in answers to questions asked at budget Estimates hearings of \$25 million in 2020?

## **ANSWER**

- (1) The deposit for the two new builds will be paid when Flensburger Schiffbau-Gesellschaft has in place the required refund guarantees. TT-Line is not yet in a position to provide a time frame on when this will occur.
- (2) All borrowings assumed for TT-Line Pty Ltd over the forward Estimates are to support funding of the new vessels. The forecast borrowings of \$25 million in 2019-20 reflect the Government's assumptions for TT-Line's borrowing requirements in that year.

## **HOUSING LAND SUPPLY BILL 2018 (No. 19)**

### **Second Reading**

**Resumed from above.**

[2.35 p.m.]

**Mr DEAN** (Windermere) - Mr President, I have frequently questioned or commented on the numbers of people who believe this world owes them a living, that they can enter the Centrelink queues and the government will provide a low-rent house to them. We now have third or fourth generations of people who believe they can get Centrelink moneys and can get low-cost government housing. I would like to make a point about that: I was bought up, as some members here might have been - others would not - knowing I had to work, and that there would be no handouts or hand-ups. If I wanted a house, I would be responsible for getting that house, providing that house for myself, or building that house, which is what I elected to do when I was a very newly married young man.

A month or so ago a number of tents were set up on the parliamentary lawns to identify the number of homeless people in this state and the plight they are currently in. Interestingly, while a number of people were there, I was told by a fairly reliable source - those responsible for policing it - that, in fact, there were probably only two genuinely homeless people in those tents on the lawn. There are homeless people - of course there are, and I am not saying there are not - but many are homeless because they want to be. That is the choice some people make.

**Ms Forrest** - Many?

**Mr DEAN** - Certainly some that make choice.

**Mr Valentine** - There are a lot of mental issues.

**Mr DEAN** - I accept there are many people among us who, through no fault of their own, should be supported, must be supported. I accept that. There are many people out there in need of help. The fact is that if we make things too easy for people, where is the incentive for those people to get out of that position and move on?

I think we need to be very careful about the way we manage and handle this. Make it easy, give people all these handouts, give them cheap affordable homes and houses, and some people just never want to get out of that. It becomes their accepted lifestyle and, in my view, we have to work

on moving these people forward, getting them into employment and into a positive framework for the future.

**Mr Valentine** - Isn't that what some of the Housing Tasmania programs do?

**Mr DEAN** - They do, and I was going to comment on that, but I am not certain we are doing enough in that area. For instance, the current legislation says these homes should be built in places with access to work opportunities. I am not quite sure how that will work.

If you look at Technopark in Launceston, which is identified as an area in the Housing Supply Side Options document, where will all the employment be around that area? I have not looked at employment opportunities there; I suspect there might be one or two. Without programs pointing these people in the right directions for employment, that is where they will remain.

We have to have programs that go with that. The member for Hobart mentioned some of the programs in place. They will need to be closely aligned with affordable housing. It is an important part of that whole process.

I want to make a couple of other points because they relate to a question I asked yesterday during the briefing. Look at some of the sites identified here - for example, Reservoir Road in Rocherlea is identified possibly as a suitable site. I would be very careful in using that site for affordable housing. As most people here know, Rocherlea is probably the lowest socio-economic area in this state - one of them, if not the worst. Some lovely people there, and some of them are my best friends, but we need to be careful if we are going to bring more of these people into such areas. A lot of things are happening in Rocherlea - a new men's shed is being built, for which I have had some responsibility, and I am very pleased that is happening. We have other activities occurring in Rocherlea to try to move these people forward and give them the same or similar opportunities that other people have. That is the important thing. We need to be careful when identifying areas for more low-cost affordable housing. Another example is Wildor Crescent in Ravenswood - we need to be careful with some of the areas identified for lower cost housing.

I referred to Technopark. That is quite an up-market area and would probably be most suitable, provided there are employment opportunities nearby. Another area identified is 3 Archer Street, Rocherlea. While that is not in the middle of the township of Rocherlea, it is close to it. Once again, we need to be careful and ensure a good mix of properties purchased and those developed privately. That is just three areas and I suspect there might be other areas of concern.

**Ms Rattray** - I have not seen the list. Where did the member find the list?

**Mr DEAN** - I found it in the Housing Supply Side Options Project document.

**Mrs Hiscutt** - Yes, we forwarded that yesterday.

**Mr DEAN** - I thought it was sent around to everybody.

**Ms Rattray** - I will recheck.

**Mr DEAN** - I ask members to look at it because it is an interesting document. It identifies the properties in areas that are probably earmarked for this.

**Mrs Hiscutt** - It went through yesterday morning early. We will get a time if that will help.

**Mr DEAN** - I appreciate that and thank the Government, the Leader or whoever is responsible.

**Ms Forrest** - It is called 'side options' rather than 'site options' in the heading. It might have been a bit confusing.

**Mr DEAN** - The heading says 'Housing Supply Side Options'. That is what it says. I mentioned that a couple of times. In this place about seven years ago, during the time of the Greens government, I went to the minister, Cassy O'Connor, because my electorate had the greatest number of Housing commission/Community Housing houses of any area in the state.

**Mrs Hiscutt** - Excuse me, I am sorry to interrupt again but I have a correction. It went through at 5.42. Sorry, please carry on.

**Mr DEAN** - Members of the public were concerned that a number of people living in low-cost housing really were no longer entitled to be there because they were working in good jobs, good positions. In some instances, both partners were working and bringing in a good salary to those properties. I said to the minister, 'You need to do something about this.' These people were occupying homes in my electorate when a large number of people on the Category 1 list - as it was known - were waiting for emergency housing. As a result, there was a change of policy within Housing Tasmania at the time. It would look closely at such cases and take action to move those people, to increase their rents to market rent costs or in some instances to enter into an agreement to sell them the home. That money was then put back into new housing.

Whenever possible, at every Estimates I have asked questions on housing: 'How many people, if any, in the state and particularly in my electorate of Windermere have had their conditions of rent in low affordable housing changed?' 'How many have been targeted, moved on, bought their homes or had their rents increased?' Those figures must be available somewhere and you might be able to get them. It would be interesting to know that detail. We build all this low-cost housing - and it is great, we need it - but if we are not going to use those homes for the purpose for which they were built, we are losing a lot. That loss is borne by people on those lists who want affordable housing. They are the ones who are suffering and will lose. We need to make sure we have this right.

I look forward to the enactment of the bill and I look forward to seeing some of these homes built. I am not sure how long it will take. The document referred to a university property at Newnham that has been identified as a potential site for these homes. I am not sure when that site will become available because the architects have only just been identified for the new development at Invermay. I suspect it will be three, four or five years before that property becomes available. There is vacant land there so that may be the land they are talking about.

**Ms Forrest** - There is in the Burnie case land owned by UTAS. It is land near the current university site before it moves to West Park. The university is going to retain some of it, but the rest is vacant land owned by the university.

**Mr DEAN** - Thank you for that. The old university premises are still being used, but what will it be used for in the long term? Will it be suitable to have dwellings built near it? Those things will have to be addressed and worked through if that land is made available and targeted for affordable housing.

This is an interesting issue. Many things will need to be worked through and done, but this is a move in the right direction. It is a start in reducing homelessness, and helping the people in the community who need support and a hand-up. Let us hope it works. I support the legislation.

[2.47 p.m.]

**Ms FORREST** (Murchison) - Mr President, I commend the Government for taking this action. It is an effective and clever solution to draft the bill by putting the Home Act into it and making it a less cumbersome bill. All power to the people in the planning department and the policy unit who worked on this legislation.

The information provided at the briefing and subsequently has been very helpful. This is an example of good consultation. I know Hobart City Council raised a number genuine and legitimate concerns that were all addressed, which is something we have not seen happening quite as often in recent times. I commend the minister's staff and advisers and the people who worked on this bill to achieve what is a very good outcome. A lot of work has been put into it; there has been a lot of listening and responding appropriately to the genuine and legitimate concerns raised. I acknowledge that because it is important.

The other information provided was the Q&A, which gives much detail. I would like the Leader to table that Q&A in her response because the work that has been done is important information which help members of the public understand how this legislation will work. Your advisers are on the job listening. This information is not necessarily captured and will not be easily accessible in the future if it is not tabled and made available. It helps when that level of attention is given to something. It is important. When we are talking about government-owned land being converted for another use, it is important it is done appropriately and correctly.

I looked through the site options documents and it appears they are being put into areas that are already predominantly surrounded by public housing.

I looked at one of the ones in Burnie, in my part of the electorate. When UTAS moves to the West Park precinct, that area will not be used for UTAS activities. It is vacant land surrounded by public housing, but it has good accessible public transport.

I assume the bus runs will still run even though UTAS is not there because Hellyer College, TAFE and Umina Park, an aged care facility, are still there, and Burnie Primary School is down the road. There are a number of facilities that warrant a reliable and consistent public transport service.

It is also not far from the hospital. It is close to schools, both primary and college levels. The high schools are a bit further away. In many respects, it is a well-located place to put in a mix of public housing.

It borders one of our unfortunate areas which was one of those broadacre developments some years ago that has gradually changed over the years. Shorewell Park was a pretty tough area in parts. I remember doorknocking there in 2005 and met some very interesting characters.

The mix there is changing and some people are purchasing their homes through a range of other options that governments past and present put in place to assist people into home ownership. All those things are important and positive.

I was impressed with the process in the bill of bringing forward the orders that will declare a parcel of land to be housing supply land. What I was particularly impressed about was that interested persons can make a submission to the Minister for Planning in relation to a proposed order and that when the order is tabled in parliament, the order will be tabled with all the submissions received - big tick - and it will be provided with the prepared responses to the issues raised - another big tick. This is setting a standard we should commend the Government for and hope we see replicated in other such orders that have a great degree of interest. Well done. That was a positive thing and one of the things I looked at when I saw it was going to be disallowable.

The work that has been done already indicates that even though a five-day period is assured, as the member for Elwick talked about, all the information we will get with the order will make it much easier to scrutinise in a timely manner. In light of all that, five days is probably reasonable. At least it is two sitting weeks as opposed to three days.

**Mr Willie** - We agree on that point.

**Ms FORREST** - Yes, we agree. The other point I raised, which was covered in the briefing, is that any larger parcel of land being opened up for this sort of housing development needs to have a mix of housing. It needs to have adequate open space and green space. It needs to have bikeways, walkways and exercise areas, and to be accessible to services.

That is covered to some degree in the bill, but also through the planning process that councils will still undertake. Yes, they still have to go through a planning process but hopefully this legislation will expedite that. I was concerned it may not have been adequately covered, but I am confident that it has been.

I believe very few people choose to be homeless. It is not through their own actions people become homeless. Many of these people are women and children escaping family violence. They are living in cars, trying to keep safe. The most dangerous time for a woman subject to family violence is the time she decides to leave and in the time of leaving. If she has nowhere safe to go, her risk of being seriously injured or murdered is really high. That is a sad indictment on our community, but it is reality. Women do not choose this. They do not choose to be homeless.

There are also many people with mental health challenges and significant disability that make it very difficult for them to get employment. There are people who become unemployed through no fault of their own and are unable to secure employment, particularly some older people in our communities. They find it difficult to regain employment and find their savings are not enough. They have probably been in low-paid jobs in the past and find themselves homeless. Some are victims of gambling addictions. You might say it is their fault - no, it is not their fault when they are addicted. We need to help these people. To say we should not make it too easy - we do not. There are many hoops to jump through, there are many checks and balances, and not everybody can expect to receive public housing.

In our civil society, we have a duty to ensure people's basic needs can be met, and one of your basic needs is shelter. The member for Elwick talked about Maslow's hierarchy of needs, and shelter is one need. If people do not have shelter, often they cannot even seek to be well educated; they cannot access good healthcare and services - they do not know how to at times.

**Mr Valentine** - It is all too transient for them.



**Ms FORREST** - That is right, yes. They are often chasing their tail trying to meet those very basic needs before they can think about attending an education facility for a length of time or their children attending an education facility. As the minister said in the briefing, this bill is part of a bigger picture. It is not just this, but it is an important part of it and he intends bringing in other legislation to give effect to some other changes, which is good. An omnibus bill.

**Mrs Hiscutt** - A multifaceted -

**Ms FORREST** - Yes, because we need to take a multifaceted approach. People find themselves homeless at times because of a whole range of other factors, and unless we address some of those, we will not fix this problem.

**Mr Willie** - People need support in their tenancies, too, so they can be successful.

**Ms FORREST** - That is right.

**Mr Willie** - It is not only the houses; it is about the attached services in a lot of these instances.

**Ms FORREST** - Yes. Access to justice, to legal advice and other support, such as looking after their children - help when they are struggling to look after their children. Unfortunately, some people really do struggle with the challenges parenting can bring and they need support. There is a whole range of reasons why people find themselves needing the support of a caring community, and provision of housing is one of those fundamental and basic things we can assist with. Many areas in my electorate are challenged in terms of high rates of socio-economic disadvantage. I say 'Braddon' because they do not look at Murchison specifically, but Murchison is a fair bit of Braddon, and is an electorate with one of the highest levels of socio-economic disadvantage in the country, second only to some of the Aboriginal communities and a couple of others.

For people in my electorate, these sorts of things are really important. I do commend the Government on taking this action. It was one of the things that came from the Housing Summit and there are more to come, but this is an important step and I support the bill.

[2.59 p.m.]

**Mr VALENTINE** (Hobart) - Mr President, I thank the Leader for arranging the briefings and for the substantial work the officers have done to pull all the information together. I thank them especially for the attention they paid to the Hobart City Council's concerns, some of which were quite detailed. They certainly addressed those concerns. Whether they have allayed these concerns in some part remains to be seen. I will touch on some of that as I go through my contribution.

No-one can deny housing is a problem at the moment, certainly in Hobart which now has a 1.5 or 2 per cent vacancy rate - whatever it happens to be at the moment, it is very low. It is a problem for our city.

It is important to understand a bit about what housing affordability is. I will read a section from the Housing Supply Side Options paper - thank you very much, Leader, for having that sent around. To be honest, I have not had a chance to read the entire document.

Section 4.1 of the document paints a picture about housing affordability, and that is what this bill is about. People talk about affordable housing, but I think they sometimes confuse social

housing with affordable housing. There is a difference. One might say affordable housing encompasses social housing. The description here is worth reading out to focus on it -

Housing affordability, that is, the prices of residential dwellings relative to household incomes, is an area that can place increased pressure on household finances. While the wider population may be required to spend a higher proportion of their income on housing if prices increase, the impact on low income households is disproportionately worse. Not only must these households pay more for their residential accommodation as broader prices rise, but as housing costs increase, affordable housing options in the private market are taken up by moderate and high income earners, who are generally favoured by private landlords. This limits the amount of affordable housing available to low income households and forces them into more expensive properties, which further increases housing stress.

I will not go on because members can read it themselves. We are not only talking about social housing here as far as I see it - and if someone wishes to correct me on that, I will stand to be corrected. It really is about people in the community who are struggling to put a roof over their heads, whether that means buying or renting a property. No-one can deny the issue is there.

Some might say it is of the Government's own making, in the way it decided to open up regulation of short stay accommodation in the share economy. Someone talking about this the other day made the observation it is called the 'share economy', but when people buy whole houses and put them up for short stay accommodation, there is nothing 'shared' about that. It is going outside what the share economy is all about. A share economy is if you have a spare bedroom or two, or a chalet in the backyard, that you might be able to rent to someone when they are touring around. That is a different concept to a whole house being provided.

For whatever reason, properties are in short supply. I guess the inquiry we will have will give us a real opportunity to fully examine that area. There can be degrees of misinformation about the full extent of the impact of the short-stay economy. It will be good to drill down to find some factual information.

I commented not that long ago in this place that we would complain if the Government sat on its hands and did nothing. The Government is to be congratulated for taking the time to put this legislation in place. I generally support the concept. It is a way of addressing housing supply in certain ways. I do not think the shortage of housing, if I can put it that way, is necessarily the issue we think it might be. I have just been through an election and knocking on doors. The number of houses I came across that were being renovated, obviously being made upmarket for short stay accommodation, was quite significant. The number of houses I came across that were empty was also significant. These belong to people who had the wherewithal to move out of a large house, with a large garden possibly, to a smaller unit and maybe had not sold their property at that time.

From my own analysis as I looked at these properties, I thought they were owned by people who were on holiday and away from the state or they were empty houses which were not being used. I wonder, with the demographics of our city and the way people are moving into smaller unit accommodation leaving larger houses available to the market, whether it is an issue of population growth. I do not necessarily think it is. I think it is a change in demographics and a change in the type of housing that maybe the baby boomer generation now requires. They cannot find the accommodation they want and therefore they are not moving out of their houses and are using the

spare capacity it might have by making it available to the market. We find ourselves in an interesting circumstance but when looking at our population growth, I do not think our population is going through the roof.

We have to be careful in how we approach it. This is one way. We would be complaining if the Government were not doing anything. This is the way the Government has chosen to go and it will be judged according to how well it pans out in the long term.

I do not know whether anyone else took the time the other night to watch *Insight* on SBS. These were normal people in the street having problems because of their lack of finances -

**Mr Willie** - Food security.

**Mr VALENTINE** - It was about food security. It brought home to me that quite a number of people in the community simply do not have the wherewithal to even buy food to put in their children's mouths because they are paying so much for housing, or they have high heating bills and those sorts of things. Parents were going without so that their kids could eat and the kids then became concerned, not wanting their parents to go without. Tensions build up and stress and anxiety grows because they simply cannot make ends meet.

If people are in situations like that and have to pay more money to put a roof over their heads, it will cause a tremendous amount of stress further down the chain. I thank the Government for looking at making housing more affordable. Releasing public land is one way to encourage that, although it has its downsides when it comes to how it is managed. I do not know whether many people in this room remember the Building Better Cities program. I am sure some of the officers would remember it. Brian Howe, the federal politician, had this project called 'Building Better Cities'. Money was given out to different cities to put in place a mixture of social and affordable housing on various sites. In my experience, that did not go very well at all. A classic example of that is the Wapping district in Hobart where some land was made available and the developers came in and developed it. It was supposed to be a mix of housing originally. It was even supposed to have some housing for people who had mental health issues and housing for people in the lower socio-economic demographic, with a bit of higher end housing. If you go there today, you do not see an activated street front with different types of people moving through that space. You see a gated community. That Building Better Cities project ended up with extra houses but they were at the higher end of the range and they ended up being gated communities and, I suggest, not of great benefit to the broader community.

How it is managed is important. I ask the Leader: does the Affordable Housing Strategy have a project team managing it? I know we have the policy unit that is looking at the policy side and handling some of the tasks required under this bill, or act, if it becomes an act. Is there a specific project team putting its mind to seeing this through from beginning to end with project milestones and targets? If you can cover that in your response, it would be great, Leader. Knowing that was occurring would give a degree of comfort that this is not an isolated move but part of a bigger strategy. We understand the strategy is there, but we need to know a project team is looking after it. I would also be interested to know whether it is being managed on a week-by-week or month-by-month basis.

It is important that a well-founded and robust underlying platform is put in place. Last year in this place we debated a significant building bill and we are now hearing concerns about aspects of that coming through. The last thing we want is for this bill - when it becomes an act - to be seen

wanting further down the track, creating problems and issues for those in the community who end up being affected or impacted by it. If we move too quickly on these things, we can end up with something that makes matters worse, not better, and we can create more problems than those we solve. I would not like to think that will be the case with this. A lot of the concerns and issues have been addressed but there may still be some. I will go through those shortly.

It is good to see that local government was consulted and, yes, the Local Government Association of Tasmania came back supportive of it. It is stated that community organisations were consulted. I am interested to know who or which organisations were consulted; if you can provide that in your response, Leader, I would appreciate that.

I appreciate that probably the Housing Industry Association and the Master Builders Association would have been consulted. I assume they were supportive, but I wonder if some of their members who have subdivisions on the way are supportive. If their developments are next to public land, and all of a sudden a subdivision is going ahead under this legislation, they might find it will drastically impact on them in some way. There are swings and roundabouts with this. I am interested to know whether there was any negative feedback from the Master Builders Association or the Housing Industry Association as a result of that consultation.

This bill is only about land supply and that use and development will be undertaken at a later date. That is something that will happen down the track. This is not the whole box and dice when it comes to the actual development of the houses. That is another process that Housing Tasmania will undertake through the Homes Act.

I appreciate there will be some good strictures in the legislation to ensure what is delivered is appropriate. That is what we are being told - that it will be because of the strictures in place. I hope that is the case.

The idea of inclusionary zoning the member for Elwick pointed out was interesting. I would be interested to hear a little more about that. I will wait to hear about that when it comes forward.

One aspect of the rail corridor the member talked about, it would be important to fully consider the transport-oriented development approach. That is, about land value capture with the government leasing the land rather than selling it to a developer.

**Mr Willie** - A lot of it is privately owned.

**Mr VALENTINE** - Some of it might be already and you cannot do much about that. There would be government land in that corridor and they can get a one-off buzz into their consolidated revenue by selling it or have a continuing flow of money back into the project by leasing it. It would be good to consider that.

I do not know whether the Leader has any information on what the Government's proposal is for land like the rail corridor. It seems to have worked in other places and it could be worth considering specifically in relation to the northern suburbs rail corridor.

It is important to make sure resources are available to properly develop these areas the Government is setting aside. Dodges Ferry, for instance, where there were some Housing Tasmania units or houses, has no sewerage and no water. It has tanks and, yes, septic tanks as well, which is now a problem because of its proximity to the coast and leaching from the septic systems.

That has to be dealt with, and it is not necessarily the Government that is dealing with it. The Sorell Council has that problem.

**Mr Dean** - We do not want water down there; we have our own water.

**Mr VALENTINE** - That is right. I forgot the member for Windermere has a shack down there. It is good to see you have seen the light and come down south; it is great.

Thankfully the bill looks at those things. Previously it has not always been recognised, when they have considered developing for housing. I appreciate that, as will the Government and local government. It is hopefully not burdening local government with something they never asked for.

Are the resources Housing Tasmania was provided with in the forward Estimates all it has to work with, or are there plans to gain other funding? The Leader might care to address that question. In the future, will there be discussions with the federal government on proper resourcing for this project, not only for the public land being made available, but particularly in the development of the subdivisions noted in this bill? It will cost money and probably needs further funding apart from what is in the current Budget. Can you tell me whether the budget is sufficient to make this happen?

The construction worker demands: it is pleasing to see the Government is supporting businesses to take on apprentices. A certain degree of support is there. Some are saying we should have foreseen this. The demand is great today; it might change significantly tomorrow as the baby boomer generation moves off to better places. Maybe or not, putting it gently. We might find we do not have such a housing problem and construction workforce problem. It is an issue for companies how they manage to provide workers for their projects. What are needed are long-term jobs. You cannot always guarantee long-term jobs by simply putting project after project in front of them, expecting the projects to keep coming. It does not always work that way. Companies do go into a downturn in terms of demand and that is a problem. Incat, for instance, managed to survive and to generate the workforce it needs to build its catamarans. It is amazing how it has managed.

Government is moving in that direction, and I thank it for recognising that if it is giving land for this process, it needs to expect demand for construction workers.

Land is being provided, or being considered for provision, for transfer to Housing Tasmania under the Homes Act. In the transfer being dealt with under the Homes Act, what components of the normal LUPAA process are being waived for houses to be developed on that land? I would be interested in the response for the record.

**Mrs Hiscutt** - I can put that on the record now.

**Mr VALENTINE** - You can put it on the record now.

**Mrs Hiscutt** - Zero.

**Mr VALENTINE** - Excellent. That was a concern for some and it was confirmed yesterday that it was not. I wanted to have it on the record that the LUPAA process will be in place for the houses developed on this land. This gives a degree of comfort not only to councils, but also to the residents close to the land that is to be turned into a housing site. Thank you very much for the confirmation.

[3.25 p.m.]

I will go to page 2 of the Hobart City Council's response provided to me outlining its concerns and deal with some of those, again to put it on the record. The issue was -

The Minister should have regard to the Schedule 1 Objectives and potential for land use conflict as per s32(1)(e) of the former LUPAA provisions.

The response was that clause 6 of the final bill requires the Minister for Planning -

to be satisfied that an intended zone to an area of land will further the objectives set out in Schedule 1 to LUPAA. In addition, the Minister must be satisfied that the use or development of the land will not create significant land use conflict with an existing use on the land; or use or development on adjacent land.

That is a good addition; I think people will be satisfied with that.

In addition to the requirement for the Minister to be satisfied that there is a need for land to be made available for affordable housing, he or she must be satisfied that the land is close to services, public transport and employment opportunities.

There is no point in placing people out in the sticks when they cannot afford to travel to work. People who are least able to afford cars and petrol need to be where facilities and employment opportunities are. I am very mindful of that and it is good this bill stipulates this. It goes on to say that the 'Minister must also be satisfied that the proposed rezoning is consistent with' a number of policies such as state policy on the protection of agricultural land, state coastal policy and policy on water quality management.

The minister will be mindful of these policies and make sure the land that goes is respectful of those policies.

One aspect that pleased me was the regional land use strategy relating to the area of land. It took months, if not years, to put those land use strategies in place. They are statutory documents and considerable work went into them. They were not just frameworks. The southern one was actually a strategy which, while not perfect, could be revisited. It is good to see those years of work have been taken into account. I congratulate the Government for actually taking the time to delve into and follow the strategy. It says -

The Minister must also be satisfied that the proposed rezoning:

- will not be significantly restricted by the requirements of any code that applies under the applicable planning scheme ...

Does the code reign supreme or is it the minister's say that reigns supreme over the code? One would hope it is the code that stays. If that can be confirmed, that would be good. I am also told in the response that the objectives of Schedule 1 of LUPAA will be followed -

Under the Bill, the Minister must also consider the environmental, economic and social effects and the effect on Aboriginal and cultural heritage.

If there is a conflict after the land is assigned, is a disallowance in parliament the only way that conflict can be addressed? People might turn their minds to what happened at Brighton with the bridge and the Aboriginal heritage discovered there - which is now under that bridge - and the process that went through, which was agonising for some. What is the process if there is a conflict when Aboriginal cultural heritage is discovered? What are the economic and social effects if there is a conflict? Once the land has been put on the list, what process will people have to go through to have that addressed? Is it only the disallowance in parliament?

Another issue the council had - and I will not mention the section because it is not the section in the current bill; that was about consultation - was -

*It is considered that there should be provision for general public notification as per planning scheme amendments, it is not always adjoining landowners who may be affected or have an interest.*

**Response:** The Bill does not provide for general public notification. If public consultation was required, the purpose of the Bill to meet Tasmania's urgent and critical need to quickly provide houses to people in need - could not be delivered in a timely manner. This is because the time to place an advertisement in the newspapers, invite public comments, and hold hearings would be a lengthy process.

Indeed, it may be a lengthy process but temporary problems should not result in long-term detriments. All I can say there is, 'Be careful with this, minister'. It is an onerous thing; any minister approaching this should be taking great care.

I go to the next issue -

*... giving of notice should be mandatory rather than discretionary. This should apply in all sections where notification is required.*

The response is -

Under section 10 of the final Bill, the Minister must not make a proposed Housing Land Supply Order without notifying '*all interested persons in relation to the area of land*', considering any submissions received, and the Minister providing his or her opinion in respect of the matters raised in the submissions.

I note 'may' is used rather than 'must' because it provides that head of power and it is a drafting issue about the words used. It is not to say that the minister is not likely to take action; it is basically to give the minister the power to take action.

Looking to the next issue -

*In the interests of transparency and having an independent assessment it is suggested that the Tasmanian Planning Commission be required to review and provide a report on any proposal to include land in Schedule 1 and also report on any comments received.*

The response is -

The Bill will override the Land Use Planning and Approvals Act ... and the assessment process of the Tasmanian Planning Commission ... This proposed legislation, which maintains rigorous checks and balances, essentially provides for the Minister to undertake the role of the Commission in order to reduce the time for assessing whether identified government land is suitable for affordable housing.

It is important to note that this is only for five years. You could say a lot of damage could be done in five years, and it can, but given the type of problem the Government is faced with, an element of trust is expected here of the minister. I am comforted in knowing that the Planning Policy Unit behind the minister is providing very good advice. The minister would be very foolish to go forward without that advice, given the complexity of the matters that can arise. So, are we happy for the minister to be the king, and being able to call the shots?

**Ms Rattray** - The captain.

**Mr VALENTINE** - The captain. You could call it the captain, but it is a bit more than the captain. The minister has a decision-making power here, being captain and coach all in one. I would not want to see that extension of ministerial power down to one person who has power like that to be the norm. Yes, we have an urgent circumstance before us and the community with a lack of affordable housing - I understand that - but I would not want it to be the norm. I rail against that a bit in this House and I have on some occasions in the past. We will be watching carefully how that power is used.

**Mr Dean** - There has to be someone who sits on the top of it.

**Mr VALENTINE** - Yes, but it does not say in there that the minister must take advice from -

**Mr Dean** - That the minister is answerable for all the decisions -

**Mr VALENTINE** - I know and, member for Windermere, be it on their head if they get it wrong. I understand that. I want to read the response because it is an important response. I will read the issue again for the sake of continuity -

*In the interests of transparency and having an independent assessment it is suggested that the Tasmanian Planning Commission be required to review and provide a report on any proposal to include land in Schedule 1 and also report on any comments received.*

The response is -

The Bill will override the *Land Use Planning and Approvals Act 1993* (LUPAA) and the assessment process of the Tasmanian Planning Commission (the Commission). This proposed legislation, which maintains rigorous checks and balances, essentially provides for the Minister to undertake the role of the Commission in order to reduce the time for assessing whether identified government land is suitable for affordable housing.



The timeframes under LUPAA for determining a rezoning application or any changes to the planning provisions within a planning scheme (i.e. the Ordinance) are not well suited to responding to the situation of urgent need that defines the current housing affordability crisis. For example, under the current assessment process, it can be a lengthy process for the Commission to determine a rezoning application or a change to the provisions within a planning scheme.

The Planning Policy Unit within the Department of Justice will be responsible for coordinating the statutory process (i.e. undertaking the administrative functions) to progress a request for a Housing Land Supply Order. The Planning Policy Unit's work will include advising the Minister about the planning merits of the request and supporting documentation, notifying 'interested persons' about a proposed Housing Land Supply Order, providing advice on any comments received from the 'interested persons' and preparing the draft report for the Minister.

The Bill will provide the Minister with the power to:

- rezone certain areas of Housing Tasmania land and surplus Crown land after it has been identified and assessed as being suitable for residential use;
- nominate specific planning controls relating to residential use that apply to the development of certain areas of Housing Tasmania or Crown land; and
- declare the rezoned government land, and other government land where specific planning controls apply, to be 'housing supply land' and make this land available for management in accordance with the Homes Act.

Once the Minister has assessed the request and considered any submissions received from the 'interested persons', he or she must prepare a report for Parliament setting out:

- the reasons why the Minister wants to make the proposed Housing Land Supply Order;
- the reasons why the Minister is satisfied that the proposed order may be made;
- a copy of each submission received from the 'interested persons';
- the Minister's response to the issues raised in submissions; and
- if the proposed order has been altered by the Minister following consideration of submissions received from 'interested persons', a statement of reasons why the order was altered.

Any request for a Housing Land Supply Order will need to include the landowners consent.

I read that into *Hansard* because it is important to understand the process and if any part of that has changed, Leader, I am sure you will inform me of that.

**Mr Gaffney** -The precedent was set in the Building the Education Revolution when they did a similar thing and gave ministerial powers each time. They had to do it in a way to hasten the delivery of it because of the situation. This is not -

**Mr VALENTINE** - It is not a new process.

**Mr Gaffney** - No.

**Mr Willie** - I think you are saying the bill is urgent.

**Mr Gaffney** - They are saying they have used this before and in Tasmania, compared to some of the other states, it was used very well. There were some issues in other states but here, Tasmania came out on top using that same process.

**Mr VALENTINE** - You are right. I suppose you could say it affects people's lives in that education scenario. The impact of this on people can be significant, especially those who might have an axe to grind when it comes to having a subdivision beside their own subdivision. They are about to have their subdivision ticked off and launched only to find they will have a subdivision with other houses that totally devalues every block in their subdivision. It may significantly affect some people.

**Mr Gaffney** - It could but, as the minister pointed out, at the top of the tree, to be the one who takes the responsibility is not a bad thing.

**Mr VALENTINE** - In this circumstance I agree with you. I am not saying do not go ahead with it; I support the steps being taken to increase affordable housing. There are some components in here that need to be worked through to show people who might read *Hansard* later or who are listening today -

**Mr Willie** - With this bill on the horizon, the minister is saying that if there is land banking and subdivided plots are not going to market, this bill -

**Mr VALENTINE** - It is a way of getting them out.

**Mr Willie** - Yes, they might put them to market now and that is a good thing.

**Mr VALENTINE** - It could be; it depends. That is interesting.

My questions, as a result of one of those dots points, are: Was a copy of each submission received from the interested persons? Does the minister have the power to reject a submission? If somebody thinks they are in the category of interested person and it works out, no, they do not have the right to put in a submission, is there a circumstance where the minister can reject the submission? Would they receive the submission and deal with it through the normal process? I am interested in a response to that.

I have covered most of my main queries. Another concern was how the development of the land would impact on downstream infrastructure - drainage and highway authorities and the like. That was addressed in the final draft of the bill -

As noted above, a statutory authority the Minister considers likely to be required to provide water, sewerage, telecommunications, electricity or gas to the area of land or which may have its services impacted by the proposal is provided an opportunity to comment on how the development of the land impacts on downstream infrastructure (drainage and highway authorities) and whether downstream upgrades might be necessary to support the proposed development.

It would be important for those authorities to be given a good, clear heads-up and an opportunity to respond accordingly as to what the impact might be for them -

*Section 10 provides that planning provisions may be modified in relation to housing supply land. The section should specify what matters must be considered in relation to a decision to do this. It is not clear what objective is furthered by this provision, it would be possible for example to remove a heritage listing or application of environmental or hazard overlays. Comments should be sought from relevant authorities and entities in relation to proposed zone changes or modifications to planning scheme provisions.*

The response says -

Under a Housing Land Supply Order, the Minister can nominate specific planning controls for residential use and development and apply to specified government land. However, the Minister can only replace or modify planning scheme provisions that relate to residential use and development. In addition, only a code that specifies parking and access requirements can be modified. Any other provision, code or code overlay under an applicable planning scheme (i.e. an interim planning scheme) or the State Planning Provisions ... will still apply including any heritage, biodiversity and hazard codes, and/or any applicable overlays.

That is quite clearly covered there. Again, the minister has a very onerous task, as I see it.

There was an issue on subdivision permits and the response is -

The Bill has been significantly amended based on stakeholder feedback.

I have to congratulate the Government. So often we hear that government x or y - and I am not talking about the current government; it could be any government - has failed to listen - 'They have not listened to us. We have put in our submissions. It is just an exercise. They put it out at such a time as people are on holiday or something and they have not listened.'

People cannot say that about this particular bill. It appears to me, from reading the bill and the responses I received, that the Government has listened and has taken out two sections to address the issues and concerns brought to light as a result of that consultation.

There is work to be done to fix the problem. A number of members have said that this is only the start. It certainly is. I hope there are not too many negative consequences of the path the Government has chosen to go down with this bill and that we see some positive developments come out of it.

We want to avoid the broadacre housing developments we have seen in the past. They originally came from the United States. Most people would say the way that was handled in the past did not have the best outcome.

**Ms Rattray** - We are still paying for it. You have heard about the debt.

**Mr VALENTINE** - Maybe. The debt, yes, but I do not know too much about the history of the debt so I cannot comment on that.

**Ms Rattray** - It is old and it is big.

**Mr VALENTINE** - I support the bill into the Committee stage and we will work our way through that stage if there are any extra questions.

[3.49 p.m.]

**Ms ARMITAGE** (Launceston) - Mr President, my contribution will be short as most matters have been covered well by other members. I thank the Leader for the briefings that were organised, and the minister and the officers for the information they provided.

It would have been nice to have had the Housing Supply Side Options document earlier to go through and then consult further on some of the areas listed. It is good to have them now and certainly they were very useful.

I am pleased there will be a mix of housing, both private and public, in these areas. As mentioned by the member for Hobart, we are not going back to the old broadacre public housing areas that have caused so much grief in many electorates in the past.

I am pleased to see this is affordable housing. I assume that many blocks will be affordable also to private buyers. It has been mentioned there will be a mix. Will the First Home Owner Grant apply if someone buys a private block and builds a house in this area? That will not be excluded and will be a part of affordable housing?

**Mrs Hiscutt** - It is for eligible people. This is just a rezone.

**Ms ARMITAGE** - It is, but if we are selling some or we have a mix -

**Mrs Hiscutt** - This is just a rezone.

**Ms ARMITAGE** - I appreciate what this is, the affordable housing. I also appreciate that in many of the areas, there will be a substantial amount of money for things like infrastructure and roads. Am I be correct in assuming we might be seeing some RAFs coming forward once this starts? When you look at some of them - I notice one in my electorate, the Technopark precinct, is 5.16 hectares and 0.83 hectares, so coming up to about 59 900 square metres - while I appreciate by the time you take in green spaces and infrastructure, you are probably looking at about between 70 and 80 houses, which is still considerable, there would be quite a few roads, footpaths, sewerage, water and things that are not there now that need to go in.

I am really pleased to see that there will be consultation with the community. As the member for Windermere would remember, when we were on council a piece of Education department land was provided for public housing and there was some concern. It was really important to consult

with people in the surrounding area. That is an important aspect of this bill and I am very pleased to see that is included.

It is also good to receive feedback from Rick Sassin from the HIA, who said -

We refer to the draft Residential Housing Supply Bill 2018 ...

HIA supports the form of the draft Bill and the process intended by it. HIA's support of the intent of the draft Bill is consistent with its support for the creation of housing for all Tasmanians.

It is good to see the HIA supports the use of crown land for the purpose of housing our community and assisting Tasmania's housing needs.

I was also pleased to see the groups that are included. I was looking for the members of the steering committee and the working group. It is probably worth putting that on the public record as I do not think anyone has put that on already.

**Mr Gaffney** - No, I think Mr Sassin was on it.

**Ms ARMITAGE** - He was. The steering committee - Tony Ferrall, Secretary, Department of Treasury and Finance, is the chair; Ruth McArdle, Deputy, Secretary, Department of Premier and Cabinet; Jenny Burgess, Deputy Secretary, Department of Education; Jason Jacobi, Deputy Secretary, Parks and Wildlife Service; Mr Peter White, Chief Executive, Housing Tasmania; Fiona Calvert, Director, Department of Treasury and Finance; and Andrew Finch, who most of us know well, Director, Department of Treasury and Finance.

It is good to see the names listed for the working group - Andrew Finch, Director, Department of Treasury and Finance, is the chair; Peter White, Chief Executive, Housing Tasmania; Stuart Fletcher, General Manager, Land Tasmania, Department of Primary Industries, Parks, Water and the Environment; Kym Goodes, CEO, TasCOSS; Pattie Chugg, Executive Officer, Shelter Tasmania; and Rick Sassin, Executive Director, Housing Industry Association Tasmania. I assume whoever replaced Michael Kerschbaum from the Master Builders Association, the new executive director, will take his spot.

It is nice to see there is a wide cross-section of people on the working group and the steering committee. All in all, Leader, I appreciate the briefings and I also appreciate the list we received, with questions and answers, which were really good because many of those questions were things raised with us. It makes it easier when you can go through and have a look. As mentioned by the member for Hobart, it was good to receive the email from the Hobart City Council, to get the answers and to find out, too, as the member for Elwick, Mr Willie, said, that many of their issues and concerns had been addressed. It was good to hear that both parties are in agreement with the legislation we have before us. I will be supporting the legislation.

[3.55 p.m.]

**Mr ARMSTRONG** (Huon) - Mr President, my contribution will also be very short. I will be supporting the bill and after reading *Hansard*, I also notice it had the support of the Opposition. I believe it had done a lot of work on this, too.

I note it was raised in the other place that services would be available to these house allotments. It is pleasing to read that the minister says the bill will not make housing supply land available unless there is access to transport and public services.

I noticed the Opposition also talked about the possibilities for the northern suburbs rail corridor as an ideal location for rezoning because it is close to the services et cetera. I touched on this with the member for Derwent during the break. He explained that it is the land adjoining the rail corridor, not the rail itself - they are not talking about removing the rails. That idea has a lot of merit because you have land on each side of the rails and it is usually where the services are so I do think that has some merit.

**Mr Finch** - I know that in Sydney a huge area of development - apartments and housing sites - are set up near railway stations to enable people to get in and out of Sydney using public transport, using the train system.

**Mr ARMSTRONG** - It is a good idea, isn't it?

**Mr Finch** - Yes, absolutely.

**Mr ARMSTRONG** - The Labor Opposition raised it in the other place, and it has a lot of merit. It might be something the Government will look at.

When I was first elected to this place nearly four years ago, I asked a question about how many three-bedroom homes were occupied by families of two or just a single person, and I could not find the answer I received. I remember one of the reporters came to me and they were astonished about how many three-bedroom homes were occupied by a married couple - an elderly married couple in some instances - and the reason was because they had been there for their life and raised their family, and did not want to move out, which I can understand. That is fair enough, too.

At that time they said they were now building two-bedroom units to ease that issue. I was curious to find out how many two-bedroom homes have been built over the last three years. It is not something I need to know now but at a later date.

**Mrs Hiscutt** - A question without notice would be handy.

**Mr ARMSTRONG** - It is an issue. In my patch I know of a couple of young brothers whose mother passed away and they are in a three-bedroom home a family could be using, where they could be using a two-bedroom unit.

I notice there is only one area of possibility for this housing supply land to be available and that is in Kingborough so it could be either in my area or in the President's area, I am not too sure.

I think the member for Elwick touched on tradesmen and apprentices. He raised a good point about whether we have enough tradesmen and apprentices in the state now. I remember all the tradesmen and apprentices left our football team about five years ago, but I notice many of them are returning. He raised a good point and this might even encourage more to return.

The bill has the support of stakeholders in this area. I think it is a good bill, and I support it.

[4.00 p.m.]

**Mrs HISCUTT** (Montgomery - Leader of the Government in the Legislative Council) - Mr President, I have some quite lengthy responses here. I will work my way through them.

To begin with, I would like to mention to you that today my trusty sidekick Mandy is celebrating her thirty-fifth year in this place - I am not sure if it is a celebration or a commiseration.

**Members** - Hear, hear.

**Mrs HISCUTT** - I will start with some questions from the member from Elwick. I think we will find some of the answers will crisscross some other questions. The tribunal audit - the 239 hectares was first passed; some of it is well positioned and if it meets the refined criteria, it will be included. The criteria will be in a report tabled in parliament, and the criteria are in the bill.

The Government's statements are possible. For numbers of dwellings, estimates were raw numbers based on general density of development for areas of land. This bill places more refined criteria to ensure it meets the affordable housing.

One comment was that the Statewide Planning Scheme does not provide for timely land release. The provision of land release is a complex issue that requires a multi-pronged approach to address. This bill is one important mechanism that will assist in providing land that can be used to develop homes quickly. The Tasmanian Planning Scheme will not change the process of rezoning or the role of local governments and the commission.

**Mr Willie** - That wasn't the point I was making. I was saying that after the 2014 election there was still no statewide planning scheme and clearly there are hold-ups within the existing planning schemes, but markets meet the demand.

**Mrs HISCUTT** - I take that as a comment.

The five-day disallowance period might not be enough. I think this was explained earlier. The five-day disallowance period is to provide for the delivery of land supply as quickly as possible, while ensuring sufficient time for parliament's scrutiny. In addition, the minister's report to parliament will provide a detailed assessment of the proposed rezoning or modified planning provisions, including any submissions received and the minister's response to any issues raised by the interested parties.

On inclusionary rezoning, the Government has not ruled out looking at other mechanisms and agrees there is a range of tools that are not part of this bill because that is not required where land is placed under the Homes Act 1935.

The answers to some of the questions by the member for Mersey about the relationship between the bill and the regional land use strategies plus consideration of a number of blocks - clause 6 of the bill - are that the bill provides that the minister needs to be satisfied that to assign the intended zone to an area of land is consistent with the regional policies and actions set out in the relevant regional land use strategy that applies to the land.

This would be the same application as for land assessed under the Land Use Planning and Approvals Act 1993. Land supply in areas is managed under urban growth boundaries. The release of blocks is controlled by local councils and the planning commission in accordance with the

LUPAA requirements. The process requires councils and adjoining landowners to be consulted and planning tests to be the same.

The intention of the bill is not to compete where there is land supply, but to provide land where it is appropriate and supply is restricted.

The impact of the bill on private land values is not different to the impact that would occur if the land was rezoned under the existing process contained in the LUPA Act.

As to homes within the urban growth boundaries and not in isolated locations, this bill does not only apply to ordinary residential use and development, but provides additional tests whereby the minister must be satisfied that an area of land -

- is needed to be made available for the purposes of the Homes Act; and
- the land needs to be located close to services, public transport and places where employment opportunities are available.

The bill aims not to create isolated settlements of disadvantage.

There is another one for the member for Elwick - the Tasmanian Planning Commission takes 90 days to complete an assessment. Why is this bill needed if it will also take about 90 days to complete an assessment and prepare a housing land supply order?

**Mr Willie** - No, that was not my question. My question was: how much time are we going to save from the initial engagement of the Government to do the consultation compared to the existing process? I am reframing the question from what it was.

**Mrs HISCUTT** - The assessment time frames under the LUPA Act 1993 are set out in the attached sheets I have here. The Tasmanian Planning Commission's 90-day assessment period is only one component of the time taken to complete an assessment of a draft planning scheme amendment under the LUPAA. In addition to this time, the local council undertakes a minimum of 105-day assessment process that includes initiating an amendment to a planning scheme, preparing a section 35 report, conducting a 28-day public consultation process, and then preparing a section 39 report in response to any submissions received. However, a local council can stop the clock to request more information from proponents, and additional time can be taken between each step in the local council assessment process that, in some cases, can take an additional seven to 10 days.

In addition, the Tasmanian Planning Commission can request an extension of time from the minister when required to complete an assessment. Furthermore, once the commission has made its decision, it can take a further two weeks for the announcement to come into effect.

This bill has a 14-day targeted consultation process and a five-day parliamentary disallowance period.

The government minister cannot initiate a planning scheme amendment to rezone land under LUPAA. Only a local council can initiate an amendment.



This bill provides for the minister to progress and assess an amendment to a planning scheme and make land available that can be used to provide affordable housing.

I have a couple of documents in regard to that, member for Elwick. Would you like me to table them?

**Mr Willie** - Be my guest.

**Mrs HISCUTT** - Mr President, I seek leave to table these documents.

**Leave granted.**

**Mrs HISCUTT** - There are a couple of questions from the member for Windermere. Will the bill create broadscale areas of disadvantage? The bill is about location and proximity to services and employment opportunities. The bill will ensure any land included in the Housing Land Supply Bill is broadly located in the right place. The way the land is then developed will be managed by Housing Tasmania under the Homes Act 1935 and Tasmania's Affordable Housing Strategy 2015-2025. The policy of Housing Tasmania is not to replicate the mistakes of the past. This means that the bill will not result in new broadacre housing commission areas in remote locations where people are isolated from communities and services.

The member for Windermere was concerned about creating remote mass public housing. The bill provides land will be managed by Housing Tasmania under the Homes Act. The land will only be made available if Housing Tasmania wants it and it fits with its policies about appropriate location. The Homes Act allows the Director of Housing to use the land in a variety of ways, including working with private developers and non-government housing corporations. The past policies of creating remote broadacre communities are no longer government policy. This bill will make more land available for Housing Tasmania that does not influence its operations and normal business.

To clarify the appeals situation: current rezoning processes involve public submissions to the council and then a hearing by the Planning Commission. The bill provides a process of submissions to the minister and then reporting to the parliament, which can disallow the orders. Judicial review applies, so an appeal can be made to the Supreme Court. Future subdivision of the land and any development of houses would be subject to the normal processes. As subdivision is always discretionary at the moment, an appeal to RMPAT that would be available.

The member for McIntyre had concerns about the costs and quality of the housing. This bill does not provide for houses directly. It makes land available for Housing Tasmania to utilise. The Homes Act sets out how the Director of Housing manages the land. The departmental officers estimate current average building costs are around \$2000 per square metre but can be higher or lower. This includes many other costs.

We have sought more accurate data and in an article in early 2017, the Housing Industry Association stated -

The actual cost of building is influenced by many and varied factors, the experts say, but the Australian average is \$1183 per sq[ua]re m[etre], according to the HIA, although this figure doesn't include design, planning permits, any site works or any cost blow-outs.

This report also indicated architecturally designed houses costs an average of \$2300 per square metre. Housing Tasmania produces modest buildings of perhaps 110 square metres, so even at \$1500 per square metre, this would only result in a total cost of \$165 000. Land costs are a large part of housing affordability and this relates directly to the supply.

Concern about notification and extent of neighbours being consulted: as this is only rezoning of land, it will not change the current legislative requirements for approval of subdivisions and buildings. It speeds up the rezoning process, but the development of the buildings is not part of this bill. The subdivision approvals in the draft bill have been excluded. Interested persons covers more than the immediate neighbours. Proposed section 12 provides the minister can notify the landowner or occupier of any land likely to be affected.

This goes further than the current LUPA Regulations 2014 for amendments to planning schemes that only require direct notification to adjoining landowners as per section 7(5) -

In addition to advertising a draft amendment under subregulation (2), if the draft amendment only relates to an individual parcel of land, the planning authority is to give notice of the exhibition of the draft amendment to -

- (a) the owner of that parcel of land; and
- (b) the owners and occupiers of land sharing a common boundary with that parcel of land.

Concerns about the locations which might be appropriate if the criteria require proximity to public transport and employment: the criteria require consideration of proximity to services, transport and places of employment, but this does not mean only large urban centres. The intent is to stop development in remote areas a long way from services and existing towns, as these entrench disadvantage. Suitable land in regional centres is certainly an option because these have access to services, employment opportunities, schools, health services et cetera. Public transport may not be relevant in most towns because of their size and accessibility.

Questions regarding the 239-hectare land audit: this included 100 hectares of Housing Tasmania land, some of which is already zoned for residential use or set aside for that purpose but needs rezoning to bring it into play. This was a first parcel of surplus crown land that might be suitable for residential development. The criteria were very general. The bill applies a higher test to ensure any land is suitable not only for residential use, but for affordable residential use. Some of the land in the audit is appropriate and is being considered for inclusion in future orders under the bill. Surplus school sites are ideal candidates.

The member for Windermere had a question about land supply side options, which was addressed in the response I gave to the member for McIntyre.

The member for Murchison requested I table the Frequently Asked Questions document. Mr President, I seek leave to table this Frequently Asked Questions document.

**Leave granted.**

**Mrs HISCUTT** - The member for Hobart had questions about the Affordable Housing Strategy. The Director of Housing manages this. The bill delivers the land to the director. There are quarterly reports on progress against the strategy by Housing Tasmania. With respect to

concerns of other developers, the bill does not provide for subdivisions. This bill relates only to rezoning. Consultation involved all groups in the Housing Summit. There were 92 stakeholders overall, including local councils, housing industry associations and master builders.

Did industry identify any negativity with their consultation? Industry was broadly supportive of the bill before the House. There were no significant comments on this.

Resources: there is a designated team in Housing Tasmania in portfolio and supply responsible for new housing development and subdivisions. There is \$125 million behind the Affordable Housing Strategy, and the Government has brought forward \$25 million to acknowledge current challenges and roll out more affordable homes faster.

Land use conflict disallowance - is this the only way this can be dealt with? The minister must be satisfied there is no significant land use conflict. The minister must consult with interested persons, informing their views. The minister's view must consider the evidence obtained through this process.

**Mr Valentine** - Sorry, but my question was -

**Mrs HISCUTT** - I have a lot more answers for you.

**Mr Valentine** - I do not know whether you are going to answer that one, though. The question was about once the land has been put into the schedule and then some issues come forward -

**Mrs HISCUTT** - To do with the zoning? This bill deals with zoning.

**Mr Valentine** - The land that goes into the schedule and whether it has Aboriginal heritage or whatever involved, what process do they go through to address that? If it is already in the schedule -

**Mrs HISCUTT** - I am informed that there may be an answer to that question here if I keep going. Codes, landslip, bushfires - that would include heritage. The requirement is that if a code would restrict the development of land, it is not appropriate to rezone and the heritage zone would be one of them.

**Mr Valentine** - So the code overrides, thank you.

**Mrs HISCUTT** - The code is not overridden because it is applied at the submission and development stage.

**Mr Valentine** - Thank you.

**Mrs HISCUTT** - There is no point in rezoning land in the future if the future use and development is constrained by the codes. That answers your question. If issues emerge later, such as changed flooding patterns, the land can be revoked or zoned back.

Another concern was that the minister has too much power: the minister's decision is subject to specific checks and balances contained in the bill. The minister's decision is disallowable by parliament. The minister's decision is reviewable on process grounds by the court.

Does the minister have the power to reject a submission? The minister does not need to reject a submission per se. The minister needs to provide a response to any submissions received, which could also include a response on whether the submission is relevant. Only interested persons who have been notified can make a submission. Judicial review appeals can be made.

That is about it, Mr President.

**Bill read the second time.**

## **HOUSING LAND SUPPLY BILL 2018 (No. 19)**

### **In Committee**

**Clauses 1 to 3 agreed to.**

**Clause 4 agreed to.**

**Clause 5 -**

Land that may be declared to be housing supply land

**Ms RATTRAY** - Madam Chair, in regard to the land that may be declared to be for housing supply, I overlooked receiving the document that came through last night. I was alerted to that when the member for Windermere was on his feet and referring to it. I probably spent 10 minutes of my second reading contribution wasting my time, to be perfectly honest, because the local government areas are Launceston, Clarence, Burnie, Derwent Valley, Central Coast, Glenorchy, Hobart, and Kingborough. All are extremely worthy of public housing, I am absolutely certain of that, but there is nothing in there that will address the housing shortage in the areas that I represent.

This was the overlay, I believe? I need to be made aware of that. Is there any more land that may be identified in the future that may assist more areas in Tasmania? That is what I am particularly interested in, given this will address seven municipalities but it still leaves 22 which all have their own challenges. I know that six or seven of mine do and they are not on this list.

**Mrs HISCUTT** - The housing supply side options is not the only land. It covers all crown land and Housing Tasmania land as at the time of the bill. It applies to all land in Tasmania. The Treasury document does not apply to the bill and, as I have said a couple of times before, this was the first pass. Chances and possibilities are that in the future it will happen.

**Ms RATTRAY** - Thank you, that is encouraging. Given this is the first pass and it is a five-year time frame, it is going to take a fair while to use up. If all these areas were identified as suitable and they receive the reclassification and fitted the criteria and all those things, that is probably going to take some time in itself. Do we have any idea when extra parcels of land might be identified? Would it be the Government's intention that all these be expended first, or used up first, before we looked at any others? Or will there be a genuine attempt to address other areas across the state that are also experiencing affordable housing stress?

**Mrs HISCUTT** - I would like to stress that the criteria were very general and we do have some more information coming for you.

The first task was a five-year time frame. The areas in the Treasury document will be reviewed and other areas of land are currently being considered.

**Ms Rattray** - Thank you, Leader.

**Mr ARMSTRONG** - Would land owned by GBEs such as TasRail be covered under that so that they could purchase or rezone that land?

**Mrs HISCUTT** - Yes, I can refer you to the answer to question 14, which I tabled earlier with the Frequently Asked Questions. It says, 'Can any Crown land be rezoned? What about parks and reserves?' The answer is 'No. The Bill does not apply to all Crown land. The Bill specifically excludes' - and then it lists a few there. I refer you to question 14 of that.

**Mr VALENTINE** - Clause 5 is to do with land that may be declared to be housing supply land. I do not know if it is in this clause or some other clause, but there is no requirement for a significant portion of that land to be provided for affordable housing anywhere that I can see. I suppose by the fact that it is called housing supply land, one expects that is what it is. Can someone point me to where it should sit or if it sits there already, that this is indeed the purpose of the land?

**Mrs HISCUTT** - The whole idea of the Homes Act is to roll out affordable housing. Part 3, clause 16, the bill says, 'Housing supply land vests in Director of Housing' - so there it is.

**Mr Valentine** - So ipso facto it is for affordable housing

**Mr DEAN** - I raised this during my second reading contribution. Clause 5(2)(b) reads -

the area of land is suitable for use for residential purposes by virtue of its proximity to public and commercial services, public transport ...

That is easy to define. We can look at these areas of land and say, yes, it is close to public and commercial services and it is close to public transport. That is a measurement, no problems at all. The one that concerns me is 'may provide opportunities for employment'. I am asking the question here again: how will that be done? Are you going to look at the vacancies for jobs in that area? Or is it simply because there might be a technopark, for instance, or a couple of big organisations there, and that is sufficient? There may not be any vacancies there, though. What is the situation? How will places of employment be defined? It is intriguing me to some degree. There are not too many areas where you could not put a house where there may be an opportunity of employment when someone resigns or dies or whatever. I am interested to see how that is going to be worked out.

**Mrs HISCUTT** - There is some advice coming, but I think I can be safe in saying one corner store in a subdivision does not qualify as employment opportunities, but there is more coming.

**Ms Rattray** - It could grow to be a larger corner store.

**Mrs HISCUTT** - The planning assessment will cover a number of criteria. The assessment process will be similar to the assessment process conducted by the Tasmanian Planning Commission. The assessment is substantially about settlements. Housing Tasmania will provide advice to the minister on the suitability of the land for the purposes of the Homes Act. The design is to not get isolated pockets. They will look at everything and anything that is there. As I said, if

there are 200 houses and one corner store, I am sure that will not be seen as an employment opportunity; it would have to be bigger than that.

**Clause 5 agreed to.**

**Clauses 6 to 8 agreed to.**

**Clauses 9 to 13 agreed to.**

**Clause 14 -**

Revocation of housing land supply order

**Mr DEAN** - Clause 14(2)(b) says -

the area of land has been developed after a housing land supply order was made in relation to the area of land.

Is that to be interpreted that the minister can make the decision that the land is suitable for housing supply land but, after that is done - for example, if it was Education department land - it is then determined after the minister has made that decision that they are going to build on it or use it for some other purpose and that takes priority and that is then off the list? How is that to be interpreted? I am not quite sure what it means - 'the area of land has been developed after a housing land supply order was made in relation to the area of land'. I need some explanation of it.

**Mrs HISCUTT** - The bill specifically says 'the area of land has been developed', so it has been developed. Therefore, the land is no longer required to be on the housing land supply order because it is developed.

**Mr Dean** - Why would the minister put it on the housing supply order if it has already been developed?

**Mrs HISCUTT** - It has been developed in accordance with an order already.

**Clause 14 agreed to.**

**Clause 15 -**

Notice to be given that land has ceased to be housing supply land

**Mr GAFFNEY** - Clause 15(2) says, 'The Minister, as soon as practicable after making an order ... is to cause to be published' - this is the revocation of a housing land supply order - 'in a newspaper that is published ...' - that is good - 'and circulates generally, in Tasmania'. That is good, too. I am wondering, is this to do with a region? Say, if it was a piece of land down south or if it was on King Island, would you publish it in the regional newspaper or is it to go across the board? I need a bit more information there.

If there was some land in the north, you cannot just publish the revocation in the south and think you have covered what is in the act. I think you need to be a bit more specific there. You could publish it in the Northern Territory probably, but that would not be read by many people from here. I want a little bit more information.

**Mrs HISCUTT** - Further on from 'in a newspaper that is published', it says 'and circulates generally, in Tasmania'. Clause 14(3) states it also needs to be published in the *Gazette*. This is the standard drafting of this notification in normal legislative practices.

**Mr FINCH** - On that point, we have been over this quite a number of times, in my experience. In reference to 'in a newspaper that is published', we normally highlight that there are three major newspapers in Tasmania and that all three should be notified and should be included in that situation so that this information is disseminated throughout the state as best it can be. I wonder if you can reiterate that situation, Leader, and whether you have covered that in other discussions before, about the three newspapers.

**Mrs HISCUTT** - Yes, I see we are looking at some other legislation here. We have adopted the same drafting as is in the LUPAA. It has been working since 1993.

**Mr FINCH** - By way of suggestion, Leader, we go to the three newspapers and they be included in the dissemination of the information.

The LUPAA is obviously wrong since 1993, or have we not noticed? It should be in one newspaper - print it in the *Advocate*. What is that going to do for people in the southern part of Tasmania who generally go to the *Mercury* for that information?

**Madam CHAIR** - Don't they read the *Advocate*?

**Mr FINCH** - I am sorry to break it to you, Madam Chair, but no.

**Mrs HISCUTT** - We will take note of what you have said. When we do our committee work and advertise, it has always gone to the three newspapers.

**Clause 15 agreed to.**

**Clauses 16 and 17 agreed to.**

**Clause 18 -**

Former Crown land that is not developed within 10 years may be transferred back to Crown

**Mr VALENTINE** - With respect to clause 18, is it possible for the Director of Housing to transfer some of this public land for development into affordable housing to a third party, like Mission Australia, for the development of affordable housing? If after 10 years that has not happened, how can they get the land back?

This gives the capacity for the land to be transferred back to the Crown if the Director of Housing has it under their control. What happens if land has been transferred? Can land be transferred?

**Mrs HISCUTT** - It cannot be transferred. Clause 18, in reference to section 16, says, 'has not ... (a) been transferred to another person under the Homes Act 1935'. It is clear it cannot be.

**Mr VALENTINE** - The question still stands. Clause 18(1) reads -

If an area of land that has vested in the Director of Housing under section 16 has not, within 10 years after the area of land became housing supply land -

(a) been transferred to another person ...

What if it has been transferred? Is there any way the government can get the land back if it has not been used for affordable housing after 10 years?

**Mrs HISCUTT** - The bill specifically sets out it has to be done under the Homes Act so it has to go into housing. Your specific question, I suppose it would be subject to the contractual arrangement by which Housing Tasmania transfers the land. It is managed under the Homes Act.

I am reading from section 18G of the Homes Act -

(3) An arrangement under subsection (1) with a housing provider, or a housing support provider, is to be on the terms and conditions specified in the arrangement, including terms and conditions included in accordance with section 18AC.

That is saying that whoever has it must do what they are contracted.

**Clause 18 agreed to.**

**Clauses 19 to 28 agreed to and bill taken through the remainder of the Committee stage.**

## **SUSPENSION OF STANDING ORDERS**

### **Third Reading of Bill**

[4.49 p.m.]

**Mrs HISCUTT** (Montgomery - Leader of the Government in the Legislative Council) - Mr President, I move -

That so much of standing orders be suspended to enable the bill to be now read the third time.

[4.49 p.m.]

**Ms FORREST** (Murchison) - Mr President, as a matter of principle, we need to always proceed with caution. I will mention that briefly again in a moment.

I understand the request as the winter break is coming up and the other House is not here and does not come back until the end of August. It would be good after all the work is done and information provided to enable this to start functioning. There was consultation on this bill and responses to that consultation were effective and taken on board.

I always proceed in such a way with great trepidation but will not oppose this. It is not the beginning of the process; this is at the end when there has been good information provided and feedback from all key stakeholders regarding the work that has been done and the cooperative approach the Government has taken.



[4.50 p.m.]

**Mr WILLIE** - Mr President, the Labor Party will support the Leader's intent. This is an important bill. There is a critical lack of housing. If during the five-week winter break, the Government can go away, do the work and bring some orders back in the spring session, that will be a good outcome for Tasmanians.

On this occasion, we are happy to support it. A word of caution to the Government: remember these constructive moments in the future. I will leave it at that.

## **HOUSING LAND SUPPLY BILL 2018 (No. 19)**

### **Third Reading**

**Bill read the third time.**

### **ADJOURNMENT**

[4.51 p.m.]

**Mrs HISCUTT** (Montgomery - Leader of the Government in the Legislative Council) - Mr President, I move -

That the Council at its rising adjourn until 11 a.m. on Tuesday 21 August 2018.

### **Taking Bills Under Suspension - Concerns**

[4.52 p.m.]

**Ms FORREST** (Murchison) - Mr President, I will speak on a matter that relates to what we have just spoken about.

I have often stood in this place and raised concerns about taking bills under suspension. I raise my concerns regarding the taxation bill we dealt with recently. I made the point at the time that while I appreciated the individual briefing I was provided the day of the Budget, an hour before the Budget was delivered, I was not able to access a copy of the bill before that time and neither was anybody else. I said during the briefing that other members might comment on that during the debate. The section relating to the foreign investor duty surcharge was a very complex section of the bill - 40 pages long - and I said to them at the time, 'I guess we have to take you on trust this is going to work.' Subsequently, I had some communication from the Law Society. I asked during budget Estimates who was consulted during the process of the development of that bill - no-one was consulted, it was all done in-house.

On 22 June I received a letter forwarded to me from the Law Society of Tasmania. It was written by Will Justo, President of the Law Society. I will read the letter to highlight why we need to take much more care. It was written to the Treasurer -

I write regarding the Taxation Related Legislation (Housing Affordability and Payroll Relief) Bill 2018 which I understand passed the Upper House last night. This is extremely regrettable as if the Government had consulted with the legal

profession regarding the contents of the Bill, and as they specifically relate to Foreign Investor Duty Surcharge ('FIDS') several glaring and, what we would hope, unintended and unfair consequences could have been avoided.

I must stress from the outset that our comments are limited to the application of the Act, not the policy behind it. We have not expressed and continue to refrain from making any comment in that regard. The issues are as follows:

## 1. The Treatment of Trusts and Corporations

Trust and corporations are deemed to be foreign trusts and foreign corporations unless evidenced otherwise. Two difficulties arise. Firstly, the drafter of the legislation appears to have no understanding as to how trusts and corporate structures are drawn or work.

A foreign trust is defined in the bill as a trust in which foreign persons have a substantial interest in a trust estate. A foreign person will have a substantial interest in that estate if, taking their interest in aggregate, one or more foreign persons have a beneficial interest of 50% or more in the capital of the estate of the trust. Where it becomes difficult is that the definition continues to provide that if, under the terms of a trust, a trustee has a power or discretion as to the distribution of the capital of the trust estate to a person or a member of a class of persons, any such person is taken to have a beneficial interest in the **maximum percentage** of the capital of the trust estate. Many ordinary Tasmanians have discretionary family trusts. These trusts are typically drafted to cover a wide category of potential beneficiaries. The trustee has a discretion to distribute to any or all of them in whatever share they wish. Accordingly, taken literally this provision provides that if there is a single potential beneficiary who is a foreign person that that trust is by very definition a foreign trust.

A possible solution could be an amendment which provided that a discretionary trust would be a foreign trust if:

- (a) The trustee of the discretionary trust is a foreign person; or
- (b) The appointor of the discretionary trust (that is the person who has the power to appoint and/or remove the trustee) is a foreign person; or
- (c) Any of the named Primary Beneficiaries of the discretionary trust were foreign persons; or
- (d) 50% of the income distributed from the discretionary trust in the 3 years prior to the dutiable transaction was distributed to a foreign person.

Corporations on the face of it that would seem to be somewhat less problematic. It might appear relatively easy to know who the shareholders are. However, that is only the case in the most simple of corporations.

Many companies have shares held by either individuals or other companies as trustee which once again raises the issues outlined above with respect to trusts.

## **2. Presumption that all Trusts and Corporations are Foreign**

The proposed section 4C of the Bill provides that all corporations and all trusts are taken to be foreign corporations and foreign trusts 'unless the Commissioner is satisfied' that they are not.

Assuming that the problem referred to in paragraph 1 is dealt with satisfactorily, I would estimate that the overwhelming majority of all trusts and corporations purchasing property in Tasmania would not be foreign trusts or foreign corporations. Yet the Act creates a regime by which the purchasers (and those acting with them) will need to do something to convince the Commissioner that they are not a foreign trust or foreign corporation. This extra administrative burden and cost, which will place an unnecessary workload on an already under resourced State Revenue Office, that has difficulty in meeting the demands currently placed on it, is completely unnecessary.

Furthermore, in relation to the problem referred to in paragraph 1, it is extremely difficult to see how to evidence (in a practical manner) that a trust is not a foreign trust even if there are no foreign beneficiaries, given the way that trusts are drawn (for example creating classes of children, siblings, parents, grandparents, grandchildren and the like). Whilst it might seem laughable, I am assured by the State Revenue Office that, only one week from implementation of this legislation, they do not yet know what evidence they will require.

This presumption should be removed.

## **3. Treatment of Contracts entered into prior to the commencement of the Act**

This is something we raised during the debate -

Our other major objection is the retrospectivity of the legislation. FIDS applies to acquisitions. Importantly, an acquisition is not the signing of a contract. It is the date of settlement. Therefore there are many foreign persons (and importantly also family trusts and companies which may fall foul of the legislation for the reasons outlined above) that have signed contracts to purchase property prior to having any knowledge of this legislation. It may well be that a foreign person, trust or corporation has executed a contract of sale last year with settlement taking place in July. If they were purchasing, for example a residential property, for say \$400,000.00 they will be immediately liable to pay an extra \$12,000.00 in duty. That is a significant impost that will not have been taken into account. Equally disturbingly, even those foreign persons, trusts and corporations that did allow for the possibility of the legislation being passed (and of

course it was only passed late last night for commencement on the 1st July 2018) and arranged their affairs for settlement to occur in this financial year may be impacted. As all Property Lawyers can attest, settlements get delayed on a regular basis for matters completely outside of purchaser's control. The best example is that a purchaser is due to settle on Friday, 29th June 2018.

The bank suddenly finds they are not ready to settle on that day or the vendor is unable to settle for whatever reason (a not uncommon occurrence where a transfer might not have arrived or the outgoing bank failed to send documents to Tasmania in time for settlement). By failing to settle on the 29th and instead of settling on Monday, 2nd July 2018 they will have automatically incurred FIDS.

We have no difficulty with the concept of duty being payable on acquisition, that is settlement. However, there should be a grandfathering provision which provides for any contracts signed (at a minimum) before the Bill passed the Upper House and preferably before the 1st July to be excluded. Such a provision is not uncommon and is generally found in Federal tax measures, for instance treatment of GST when it was introduced and GST withholding provisions as are commencing on the 1st July.

No doubt there are other amendments that should be made to the legislation. Unfortunately, there is simply now not the time to examine it in further detail given the importance of the matters raised herein. The first notification to the profession as a whole was the attached State Revenue Office Fact Sheet which was distributed on the 14th June 2018. Prior to then, the Society has been made aware through one of their working groups that a measure was to be introduced but with absolutely no detail as to what that would include.

The Law Society is more than willing to work with the Government to rectify the situation and to help develop a solution. However, we ask that the enactment of FIDS be delayed until these matters are properly addressed and the State Revenue Office is properly across how it will deal with evidentiary requirements. Any other course of action will be unfair and unworkable, especially given that duty must be calculated and provided to an incoming mortgagee at the time of settlement. I could envisage more mortgagees refusing to settle without additional duty being paid at settlement in the chance that a trust or corporation is deemed a foreign trust for a foreign corporation.

I thank you for your time and await your response.

Yours faithfully,

Will Justo  
President

That is a long letter, but it reiterates my concern. As soon as I became aware of this, I consulted further with other lawyers who specialise in this area. Not all lawyers are across these matters as well as some. I received emails from others who received copies of Mr Justo's letter, expressing equal concern. I spoke to tax accountants who deal with trusts and they said that this is an absolute nightmare and a real problem.

Will the Government and the Treasurer work with the key stakeholders to fix this? It will mean bringing back an amending bill to fix some of these problems. The State Revenue Office does not know how it is going to deal with this. There was no consultation outside the State Revenue Office and Treasury. I do not know what the expertise is in Treasury in dealing with some of these complex trusts and the way they are managed. I am not an expert in that field.

I urge members to listen and consider when I get up and bang on, again, about taking things under suspension. I will do it every time it happens. The only time I may make an exception following this, is if it is an urgent situation we are addressing - not some convenience because it has happened at a time that suits.

**Mr Dean** - Other members have also complained about bills being brought in under suspension.

**Ms FORREST** - I am not arguing it is not the case. I am saying I hope members will take this seriously. This is a classic example of where we have come unstuck.

**The Council adjourned at 5.04 p.m.**