Shelter Tas Submission to the Tasmanian Planning Commission on the Tasmanian Planning Scheme Draft State Planning Provisions

PREAMBLE

Shelter Tas is an independent not-for-profit peak organisation representing the interests of low to moderate income housing consumers, housing providers and Specialist Homelessness Services across Tasmania.

Shelter Tas is committed to working towards a fairer and more just housing system. We provide an independent voice on housing rights and a link between governments and the community through consultation, research and policy advice. We seek to improve housing access for all Tasmanians.

Shelter Tas’ vision is that every person has affordable, appropriate, safe and secure housing and our mission is to end homelessness in Tasmania.

Shelter Tas recognises the significant influence that the planning system has on outcomes for social inclusion and access to appropriate housing, including the supply, diversity, location and affordability of housing developed. Whether intended or not, planning decisions directly impact on these outcomes.

Shelter Tas welcomes the State Government’s commitment to its program of planning reform and the introduction of the Tasmanian Planning Scheme, Draft State Planning Provisions (Draft SPP). We appreciate the opportunity to provide feedback about the Draft SPP currently available for public review.

NEED FOR A ROBUST AND INTEGRATED STATE PLANNING FRAMEWORK

Shelter Tas’ recent involvement in relation to amendments to the Sullivans Cove Planning Scheme for the Macquarie Point Site Development has made us aware of significant weaknesses in the current State Planning system when promoting the inclusion of affordable housing in new developments.
The key weaknesses that we see are the absence of:

- explicit objectives for social inclusion and housing diversity in the Land Use Planning and Approvals Act, 1993 (LUPAA).
- a robust State Policy on housing diversity and affordability that is recognised by the LUPAA.
- State government support for Local governments attempting to promote the supply of affordable housing through their planning schemes.

There are a number of documents, policies and commitments from both the Tasmanian and Local governments that state a commitment to increasing affordable housing supply across the State.

Tasmanian Government initiatives include:

- **Tasmania's Affordable Housing Strategy 2015-2025 (TAHS):** through various initiatives to contribute to a multi-pronged approach to helping to deliver affordable housing on new development sites (including initiatives such as the Community Housing Stock Leverage Program, Private Developer Social Housing Grants; Shovel Read Housing Supply; Affordable Housing Supply Site Preparation). The Strategy also identifies the role that land release role by the State and Local governments can play in “...ensuring a proportion of developments are affordable to low and moderate income earners” and for planning schemes to “… ensure developments promote a mix of housing types…” (TAHS, p19).
- **LUPAA, 1993:** through implied support for social inclusion in the Act’s objectives in Part 1 (b) “to provide for the fair, orderly and sustainable use and development of air, land and water; “ and the following definition of the meaning of ‘sustainable development’ in Clause 2, “sustainable development means managing the use, development and protection of natural and physical resources in a way, or at a rate, which enables people and communities to provide for their social, economic and cultural well-being and for their health and safety…”
- Recent amendments to the **Homes Act, 1935:** to modernise how housing assistance and homelessness services are provided by the Director of Housing, and to support implementation of the TAHS, including enabling the transfer or sale of land and dwellings to housing and housing support service providers.
- **Southern Tas Regional Land Use Strategy, 2010-2035:** that seeks to “increase the supply of affordable housing” as a strategic goal (SRD2.10), with SD 8, “Supporting Strong and Healthy Communities”, also recognising the role of affordable housing in social inclusion.

Local government initiatives include:

- **Hobart Interim Planning Scheme, 2015,** 3.0.2-R Residential Growth: Regional Objectives:
  - Desired Outcome (b) “Residential growth for Greater Hobart is managed on a whole of settlement basis and in a manner that balances the needs for greater sustainability, housing choice and affordability.”
- Desired Outcome (h) “The supply of affordable housing is increased.”

- **Launceston interim Planning Scheme, 2015**, F2.1. Purpose of Specific Area Plan, F2.1.1:
  - (a) “provide for a range of housing types and densities and supporting local services”
  - (b) “provide a range of lots to accommodate affordable housing density”.

Notwithstanding these various initiatives, explicit support within the planning system is required to integrate these policies and effectively deliver on their aims, consistent with objective 2(d) of Schedule 1 of LUPAA:

“To require land use and development planning and policy to be easily integrated with environmental, social, economic, conservation and resource management policies at State, regional and municipal levels”.

Our experience in relation to the Sullivans Cove Planning Scheme amendments demonstrates the importance of a Statewide, government-led commitment to affordable housing. Hobart City Council, while supportive of an increase in affordable housing supply, received legal advice that it would be difficult to enact provisions to encourage affordable housing without a clear legislative authority to do so.

The current planning reform process, including the new Draft State Planning Provisions, provides the opportunity to grant this authority – to clearly empower local councils to support social inclusion and housing affordability and help to implement the Affordable Housing Strategy. Such authority would also help clarify expectations and lend greater efficiency to the planning assessment process.

Unfortunately, the Draft SPP lacks any strategic policy intent to guide its implementation and is silent on social inclusion, housing diversity and affordability. This should be remedied – our recommendations for how this could be achieved are set out below.

**AFFORDABLE HOUSING IS A MAINSTREAM ISSUE IN TASMANIA**

Access to suitable and affordable housing provides the foundation for well-functioning communities, but is increasingly challenging to achieve. Housing affordability has become a mainstream issue in Tasmania, as it has elsewhere in Australia, with the lack of affordability impacting on low and moderate income families, single people, young couples and older people. This is supported by evidence which shows that:

- Affordable housing\(^1\) is in chronic short supply in Tasmania with housing stress\(^2\) affecting a quarter of the State’s low income households.

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\(^1\) Affordable housing refers to rental homes or home purchases that are affordable to lower income households. To be affordable to these households in the lower 40% the cost of housing needs to be less than
• For low income households\(^3\) 39% of renters, approximately 7,901 households, are in rental stress, and 47% of home buyers, approximately 5,996 households, are in mortgage stress\(^4\).

• Tasmanian incomes are below the national average, with more than a quarter (27%) of Tasmanian households classified as ‘low-income’ in 2009-2010. A third of Tasmanian households are reliant on government pensions and allowances as their principle source of income, and another 10-15% are the ‘working poor.’\(^5\)

• Although greatest in Hobart and Launceston, private renters in other Council areas are also under stress (modelling suggests that 44% of private renters in George Town Council, and 35% of private renters in another 20 council areas).\(^6\)

• Households least likely to be able to afford housing in Tasmania are lone person households, one parent households and couples with children; around a fifth of people aged over 65 years are in housing stress.\(^7\)

• The latest Census data (2011) shows a demand gap for affordable housing in Tasmania to be 12,543 homes. This shortfall may be exacerbated in the longer term as the current projected supply of 1,750 dwellings per year falls short of the projected need for 2,392 new dwellings per year to 2031 (annual averages). It is further predicted that 1,313 (or 55%) of the 2,392 dwellings would need to be affordable to meet demand.\(^8\)

• While renters of public housing are not in housing stress (as their rent is set at below 30% of income), there is an undersupply of public housing, with 3,000 applications on the Housing Register (December, 2015)\(^9\).

• A further shortfall of 4,700\(^10\) properties is anticipated when the National Disability Insurance Scheme is fully rolled out.
There is an urgent and ongoing need to maintain and increase the supply of affordable housing. This includes the need for secure affordable rental options for lower waged working people whose incomes exclude them from home purchase and who find it increasingly difficult to access the private rental market. This includes many key workers who work part time in providing essential services in education, health, policing and care professions, as well as apprentices and other trainees.

FEARS ABOUT AFFORDABLE HOUSING ARE UNFOUNDED

An argument made against the inclusion of affordable housing at the Macquarie Point site was that it would reduce the value of real estate. This view is not supported by the evidence. There are many examples of developments that have integrated a mix of private market and affordable housing and that have attracted private developer investment and established solid real estate value. Examples include inner urban developments in Sydney at Central Park, Green Square and Ultimo Pyrmont; urban renewal in the East Perth transit oriented development, Western Australia; and a new residential estate at Fitzgibbon Chase in north Brisbane.

A further misconception is that developer profit will be impacted. There are a variety of ways in which affordable housing can be funded, including through government land contributions, mixed financing arrangements (including government provided incentives such as the recently expired National Rental Affordability Scheme; and leverage of existing community housing stock), as well as incentives through increased allowable development yields.

Fears that affordable housing will impact on neighbourhood amenity are also unfounded. Affordable housing caters to mainstream housing needs for low to moderate income households, including key workers and does not focus on households with high social needs. Affordable housing contributes to creating socially mixed neighbourhoods, helping communities to function better overall.

Tasmania’s Community Housing Organisations are highly professional and have a proven track record in successfully developing and managing affordable housing. Housing Choices, Community Housing Limited, Centacare Evolve Housing and Mission Australia already manage over 4,000 properties in Tasmania. Examples include Brisbane St, Queens Walk, Goulburn and Campbell Streets, and Trinity Hill in the Hobart area and Thyne House in Launceston. Elsewhere successful examples include the Merchant development at Docklands in Melbourne and the mixed tenure housing developments managed by Brisbane Housing Company in Brisbane.

Locational disadvantage affects many low income households that are being increasingly displaced to the outer urban areas as a result of gentrification, increased competition driving up housing prices closer to the city centres and previously poor planning decisions.
creating poorly located housing estates. These households often live distant from jobs, education and the services needed to sustain daily life. This can lead to concentrated pockets of disadvantage typified by poorer health, education, workforce participation, family stability and increased social dysfunction, which lead to increased demand, and therefore cost, to government for associated social, health and justice services. Social integration on the other hand reduces the likelihood of social disadvantage and increases civic participation and self-reported health and wellbeing\(^{11}\) and is a powerful argument for including affordable housing in well-located developments.

**RECOMMENDATIONS**

Through this submission Shelter Tas seeks amendment to the planning system to promote social inclusion and housing affordability to help facilitate fairer housing outcomes for all Tasmanians. Shelter Tas believes that there is the need for:

- clearly articulated enabling powers in the LUPAA supporting social inclusion and housing diversity.
- a robust State Policy for housing and housing affordability that has statutory affect.
- the content of the Draft SPP to complement the overarching framework suggested in the preceding two points to promote social inclusion, housing diversity and affordable housing.

Shelter Tas therefore makes the following recommendations.

**Enabling Powers**

1. Strengthen the enabling powers in the Land Use Planning and Approvals Act, 1993 to support the provision of affordable housing by amending the Act’s Objectives in Schedule 1, Part 1 to include the words: *to promote community wellbeing, social inclusion and housing diversity*

**Strategic Policy**

2. Develop a state policy for housing that is recognised and given statutory affect by the Act (via the State Policies and Projects Act, 1993 or by other statutory authority) and that includes clearly articulated intentions for promoting social inclusion, housing diversity and affordability.

Draft State Planning Provisions

Include the following amendments to the Draft State Planning Provisions to make explicit reference to housing diversity, social mix, affordability:

- If the LUPAA objectives are not expanded (as suggested above), expand the purpose outlined in clause 2.1.1 to specifically include implementation of the Affordable Housing Strategy, and furthering social inclusion.
- Explicitly including affordable housing and social housing as examples in the Residential Use class.

8.0 General Residential Zone

- Amend 8.1 Purpose Statement as follows:
  “To provide for residential use or development that accommodates a range of dwelling types meets the diverse housing needs of the community including affordable housing……”

- Expand objectives in 8.4.1 Development Standards for Dwellings to include: “promotes housing diversity and social mix” and an Acceptable Solution that “balances the need for housing choice and diversity”.
- Avoid creating locational disadvantage by expanding the Acceptable Solutions in 8.6.3 Services to include: “access to public transport, community facilities and services required to support the wellbeing of communities “.

9.0 Inner Residential Zone

- Amend 9.1 Purpose Statement as follows:
  “To provide for residential use or development that accommodates a range of dwelling types meets the diverse housing needs of the community including affordable housing……”

- Expand objectives in 9.4.1 Development Standards for Dwellings to include: “promotes housing diversity and social mix” and an Acceptable Solution that “balances the need for housing choice and diversity”.

13.0 Urban Mixed Use Zone

- Amend 13.1 Purpose Statement to include:
  “To provide for residential use or development that promotes housing choice, including affordable housing.”
Particular Purpose Zones and Special Area Plans

While we acknowledge that the Draft SPP is intended to provide an ‘empty shell’ template for each of these instruments, it is recommended that where such zones apply to urban infill and/or mixed use developments that are intended to include residential uses close to employment and service nodes, or that are well connected by public transport to such nodes, that these instruments should include development objectives that: “provide for residential use or development that promotes housing choice, including affordable housing.”

Shelter Tas would welcome any further opportunity to discuss housing affordability and the Draft Tasmanian Planning Scheme.

Yours sincerely,

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