

RESIDENTIAL HOUSING SUPPLY BILL, 2018

Submission from Shelter Tasmania

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INTRODUCTION

Shelter Tas appreciates the opportunity to comment on the *Draft Residential Housing and Supply Bill 2018* (the Bill) and supports the proposition of releasing suitable parcels of Crown Land for the development of affordable housing. Shelter Tas has previously participated in the State Government's Housing Supply Side Options Project which audited Crown Land potentially suitable for residential development. As the peak body for housing and homelessness in Tasmania we applaud the Government's commitment to ongoing engagement with the sector on these initiatives.

We are encouraged that legislation in support of the development of affordable housing is being proposed. While the Bill applies only to Crown Land, it highlights the relevance of the planning system to the supply of housing and affordable housing. Across Australia progressive approaches to addressing housing needs are being pursued through planning systems. This initiative provides an opportunity for Tasmania to also begin to modernise its planning system to help deliver much needed affordable housing. It is also a feature of the National Housing and Homelessness Agreement currently under negotiation. We therefore repeat our call in previous submissions to the reform of Tasmania's planning system to make it clear that planning matters should include providing for housing diversity, social mix and housing affordability.¹

In responding to the Bill we also repeat our previous calls:²

- For an integrated approach to planning for the State's overall housing and settlement planning needs, taking into account population growth and economic development.
- That any government land released for residential development includes affordable rental housing in the form of public and community housing.

Our detailed comments on the Bill follow.

PARTS 1- 4, PRELIMINARY, DESIGNATION, ZONING AND SUBDIVISION PERMITS

Discussion

Sunset clause:

The well intentioned purpose of the Bill is to facilitate the speedy supply of housing to alleviate Tasmania's housing crisis. As a crisis response the Ministerial powers proposed to be established should be temporary in nature, allowing time for a more strategic and integrated approach to planning for the State's population growth, housing and settlement needs. For this reason, we believe that the Bill should include a sunset clause of 4 years.

Need to more clearly define the intent:

The Bill is not clear about its intent for what affordable housing is or who it would target.

¹ Submissions available here: <http://www.shelertas.org.au/representation-to-council-on-the-macquarie-point-site-development/> ; <http://www.shelertas.org.au/submission-to-the-tasmanian-planning-commission-on-the-draft-state-planning-provisions/> ; <http://www.shelertas.org.au/land-use-planning-and-approvals-amendment-tasmanian-planning-policies-bill-submission-on-consultation-draft/>

² <http://www.shelertas.org.au/wp-content/uploads/2018/02/Shelter-Tas-State-Election-2018-Priority-4.pdf>

It is widely accepted that housing is affordable when low income households - that is, the lowest 40% of income earners - pay no more than 30% of their gross household income on housing (and where housing costs are not unreasonably added to through the imposition of other transport, energy or home maintenance costs).

The Bill does not define the term *affordable housing* and only loosely requires that “*at least some of the residential housing will be affordable*” (Part 4. s.20 (5)(b)). As currently drafted there can be no certainty that developing Crown Land would deliver housing that is affordable to low income households, the group which is most disadvantaged in Tasmania’s housing market. Nor is it clear what proportion of affordable housing would be achieved. The State Planning Provisions which would be relied on to support the Bill’s implementation provide no clarity on these matters.

Relying only on increasing supply alone has not worked to date and will not deliver housing at price points and in appropriate locations that is affordable for low income households. This is evidenced in a recent AHURI study that showed that in the 8 years from 2005/6 to 2013/14 Hobart’s housing stock grew 9.8% while the population grew by 6.2%. Over the same period median house prices grew by 13.2%.³

To be effective, the Bill must adopt a clear definition of affordable housing that targets low income households, and establish a minimum level of provision of affordable housing to be achieved.

Need for affordable rental housing and enduring public benefit:

Shelter Tas recognises that affordability applies to both home purchase and home rental housing. However, 59% of the 54,000 households that rent their home in Tasmania are low income earners. More than 8,000 of these live in rental stress, paying more than 30% of their gross household income on rent.⁴ Renting a home is becoming the norm, approaching similar levels to home purchase, and more than 40% of renters rent their homes for longer than 10 years.⁵ It is increasingly the case that many renters will not reach home ownership due to the growing gap between income and house prices.⁶

To assist the households most disadvantaged in Tasmania’s housing market any measures addressing the lack of affordable housing must target rental housing.

The effect of the Bill would be to increase the value of land through the combination of releasing publicly owned land and increasing its market value by up-zoning it for residential development. Providing housing to the market without preserving its affordability in the long term would allow the uplift in land value to be capitalised when the housing is resold, forfeiting the public benefit gained by selling the public asset in the first place. Any development rights issued on Crown Land must guarantee

³ Ong R, Balton T, Gurran N, Phelps C, Rowley S (2017). *Housing supply responsiveness in Australia: distribution, drivers and institutional settings. Inquiry into housing policies, labour force participation and economic growth.* AHURI Final Report No. 281, Australian Housing and Urban Research Institute Limited, Melbourne, <http://www.ahuri.edu.au/research/final-reports/281>, doi:10.18408/ahuri-8107301.

⁴ ABS <http://www.abs.gov.au/AUSSTATS/abs@.nsf/DetailsPage/4130.02015-16?OpenDocument>

⁵ Choice (2017). *Unsettled: Life in Australia’s private rental market.* <http://www.shelertas.org.au/unsettled-life-in-australias-private-rental-market/>

⁶ Renting a home is a becoming the norm nationally with 30% of households now renting, including more and more Tasmanian households (27%). More than 40% of households renting their homes do so for longer than 10 years.

the provision of affordable housing in perpetuity. The most effective way to do this is to provide affordable housing in the form of public and community housing. Indeed, this is commonly the basis for the definition of the term 'affordable housing' in planning systems.

The community sanctioned development of Crown Land must guarantee the affordability of housing provided in perpetuity by providing public and community housing.

Consultation and assessment:

The protections of public interest by requiring Parliamentary scrutiny and approval of amendments to Schedule 1 are appreciated. However, we believe some improvements to consultation and assessment are warranted.

The assessment criteria in Part 2. s.5(2) for determining land that is suitable for development (i.e. for inclusion in Schedule 1 Column 1) does not take into consideration the suitability of the location in terms of accessibility and community wellbeing. To avoid the risk of creating locational disadvantage or added costs for prospective residents, it is essential that land is well located in relation to public transport, services and nodes of employment.

Shelter Tas considers that the scope of *relevant interested persons* should include representation from the community sector in relation to consultation on the listing of sites (Part 2. s8 (3)) and on proposed plans of subdivision (Part 4 s.20 (3)). To help foster more positive community relationships between existing residents and newcomers, we also consider it important for the local community to be able to comment on a proposed plan of subdivision in addition to adjoining owners.

The assessment criteria and scope of stakeholders consulted should be expanded.

Recommendations for Parts 1 to 5, and Part 6

Shelter Tas Recommends that:

1. Part 1 of the Bill be amended to introduce a sunset clause of 4 years for the Act.
2. Affordable housing be defined as:
 - *Affordable rental housing* – meaning housing that is owned and / or managed by a public housing authority or a registered not for profit or community housing provider; and
 - *Affordable home purchase housing* - meaning housing that is offered for sale for purchasers who are eligible for the State Government's HomeShare program.
3. Part 4 s.19(5)(b) be amended to require a minimum proportion of affordable housing as part of any residential development on Crown Land. Regulation could be used to establish how to determine the level of provision required, but as a minimum this should be equivalent to:
 - 30 % of all dwellings as *affordable rental housing*
 - 10 % of all dwellings as *affordable home purchase housing*.
4. Part 2. s.5(2) be amended to ensure that land is appropriately located close to services, public transport and employment; supports the health, safety and wellbeing of households; and avoids sites isolated by a fragmented settlement pattern.

5. Amend *Part 6 s.29 Regulations* to require the preparation of regulations setting out:
 - the rate of provision of affordable housing on Crown Land (see recommendation 3 above)
 - additional criteria for assessing the locational suitability of land to be listed in Schedule 1 (see recommendation 4).
6. Extend the scope of stakeholder consultation by amending:
 - Part 2. s8 (3) to include representatives of the community sector as *relevant interested persons* in relation to sites listed in Schedule 1.
 - Part 4 s.20 to provide the opportunity for public comment on the proposed plan of subdivision, and to include representatives of the community sector as *relevant interested persons*.

PART 5. TEMPORARY EMERGENCY RESIDENTIAL PLANNING PERMITS

Discussion

While Shelter Tas recognises the need for increased emergency housing for vulnerable Tasmanians, we are deeply concerned about *Part 5. Temporary Emergency Residential Planning Permits (TERP)* as proposed and do not support it in its current form.

The scope of our concerns include:

- **Lack of clarity about what *temporary emergency residential housing* is intended to be** – Clarification is needed that TERPs are intended to address crisis housing and not other forms of temporary housing such as workforce housing. Additional clarity is also needed about: the kind and quality of housing to be provided; the length of stay allowed; how resident eligibility and needs would be assessed; the support services to be provided; and transitional arrangements for residents at the end of their housing period.
- **The need for emergency or temporary housing to be embedded in a long term strategy assisting residents into secure and affordable housing** – without a long term strategy for residents, there is a high risk that some will become ‘trapped’ in the emergency housing or return to an unstable housing situation once the temporary housing permit expires.
- **The need for great care to protect the safety and wellbeing of residents by ensuring that the model of housing provided is soundly based and skilfully managed** - in Tasmania emergency housing is provided by highly skilled and professional services (Specialist Homelessness Services) based on proven models of service delivery aimed promoting personal safety and providing the necessary support to restore client independence. This includes dealing with issues of domestic violence, substance abuse and mental illness; providing support to help people re-establish themselves in independent living (which can include the learning of life skills). Emergency housing is usually provided as an intensive and time-limited support service (usually for up to 6 – 12 weeks). The needs of people in crisis can be as simple as providing housing, but for others their needs can be highly complex, requiring skilful management and support. There are significant risks that must to be carefully managed, including the appropriateness of tenancy mix (particularly where minors are involved), to ensure the health and safety of all residents housed.
- **The lack of clarity about tenants’ rights** and the relationship of the bill to the Residential Tenancies Act which only applies to tenancies longer than 3 months.

- **The need for sound assessment criteria for determining applications for temporary emergency residential permits, including:**
 - the model of provision and care proposed
 - the experience and credentials of the proponent
 - the health, safety and wellbeing of residents (including tenancy mix policies)
 - monitoring and reporting of housing outcomes
 - the suitability of the site for the intended purpose
 - the suitability of the location for access to public transport, services and employment supports
 - a tenant rehousing strategy at project completion.
- **The absence of any applicable planning provisions for proposals on private land** - the Bill overrides the provisions of the *Land Use Planning and Approvals Act, 1993* but releases private land from planning scrutiny as it only provides for the State Planning Provisions to apply to land listed in Schedule 1, that is Crown Land.
- **The need for rigorous scrutiny before a second TERP can be issued** – including independent evaluation of housing outcomes, thorough independent assessment against rigorous assessment criteria, and consultation with the community sector.
- **The need for effective consultation** with the community sector and the general community in relation to proposals submitted.

Recommendations for Part 5

7. Shelter Tas Recommends that *Part 5. Temporary Emergency Residential Planning Permits* be withheld from the Bill in its entirety until the substantial issues and risks identified in this submission have been discussed with the community sector and appropriately addressed.

Thank you again for the opportunity to comment on the draft Bill. To help achieve legislation that will secure appropriate and affordable housing for low income Tasmanians, we would be more than happy to provide additional information or discuss any aspect of this submission with you.



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