TASMAN COUNCIL

A Natural Escape

COMMENTS ON

THE STATE'S DRAFT ECONOMIC DIVERSIFICATION & INVESTMENT STRATAEGY

1. OVERALL COMMENTS

The Draft Economic Diversification and Investment Strategy (EDIS) is a welcome and much-needed vision for a new future focussed on improving the socio-economic well-being of Tasmanians.

It is based on aspirational thinking and contains pro-active strategies.

Some improvements are suggested in Section 2, below, along with a number of comments and observations.

The over-riding concern, however, is that without fully integrating this aspirational thinking into the State's strategic land use planning system (the Minister's office, the State Planning Office and the Tasmanian Planning Commission), many of the strategies within the EDIS will fail if and when amendments to planning schemes are needed as part of their implementation.

Over the last three decades there have been multiple forward-looking aspirational strategy documents put forward by various governments similar to the Draft EDIS. However, many of their good intentions have consistently come to grief on the rocks of a State planning system incapable of accommodating aspirational pro-active planning scheme amendments.

As a result, Tasmania's economy has missed out on investment and jobs, and housing supply has been artificially restricted.

Put simply; once the EDIS is finalised, it needs be integrated into the State's strategic land use planning system.

This means, firstly, re-casting the Tasmanian Planning Policies and, secondly, re-viewing the Regional Land Use Strategies.

If this is not done, then much of the content of the EDIS will remain no more than good intentions.

An overview of the flaws in Tasmania's State strategic land use planning system that will scuttle many of the EDIS strategy statements are detailed in Section 3, below.

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2. SUGGESTED IMPROVEMENTS AND COMMENTS

2.1 Aspirational Thinking. Pro-active Strategies

The aspirational thinking and pro-active strategy stance embedded within the Draft EDIS is supported.

Tasmania needs to start building a new future. One that is fit-for-purpose for the 21st Century.

We need to purse true 'sustainable development', as defined by Tasmania's Resource Management & Planning System legislation; being a three-legged stool, supported equally by social, economic and environmental legs.

These three legs need to be significantly rebalanced in our overall approach, as the economic and social legs have been largely neglected over the last three decades within the State's planning system.

2.2 A Welcome Focus on Regional Tasmania

The Draft EDIS is imbued with a welcome focus on regional Tasmania.

This recognises the significant wealth-generating economic activities that occur in the regions and the important role regional towns play as service centres for their surround economic engines.

This is in contrast to our large metropolitan areas in which much of the economic activity simply churns existing wealth, rather than creating new wealth.

Note that it is Council's view that the current redraft of the Southern Tasmania Regional Land Use Strategy is unbalanced in its metro-centric, anti-rural approach.

2.3 Lack of Integration into the Strategic Land Use Planning System

The Draft EDIS claims to be a 'whole of government' approach.

If this is true, then the final EDIS needs to be integrated into the State's strategic land use planning system.

The great majority of Tasmania's Councils support new economic activity and residential growth.

Local government is not the problem. This lies with a State planning system incapable of approving planning scheme amendments based on aspirational thinking and pro-active socio-economic land use strategies.

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Properly integrating the EDIS into the State's planning system is an opportunity to redress this situation.

- The pyramid diagram on page 5 of the Draft EDIS needs to be amended to include the State's strategic land use planning system.
- Integrating with the State's strategic land use planning system needs to be mentioned in multiple paragraphs, including stating that:
    - The final EDIS will be integrated into the Tasmanian Planning Policies, which will also need to have their regressive aspects tempered in the process.
    - The new draft Regional Land Use Strategies will then need to be significantly re-worked to accommodate the revised Tasmanian Planning Policies. In the meantime, the current draft Regional Land Use Strategies should not be enacted.
    - It is noted that the above two actions can largely progress concurrently.
- The Office of the Coordinator General and the Tasmanian Development Board should work hand-in-hand, on a day-to-day basis, with the State Planning Office and the Minister's Office. These entities need to become fully integrated into the State's socio-economic strategic land use planning system.
- Planners within the State Planning Office will need to change their 'group think' to embrace aspirational thinking and pro-active strategy development.
- The Local Councils and State Government will then be able to properly work together to create a new future for Tasmania.

2.4 Unlocking Private Investment

Priority 1 of the Draft EDIS focusses on actions around 'unlocking private investment', including flagging a new 'Economic Future Act' for the purpose of delivering 'a clearer, faster pathway for major job-creating projects'.

Council supports this intention, but believes there is a great deal to be gained by re-orienting the existing system within the existing legislative framework. This will involve a major change of mind-set within the State's strategic land use planning system (the Minister's office, the State Planning Office and the Tasmanian Planning Commission).

The present mind-set is based on reacting to past statistics and demographic data, and only allowing major change when proven to be absolutely necessary, with priority given to the imperative for so called 'orderly development'.

Orderly development is indeed important, but it is second-order issue. The reality is that developers and entrepreneurial investors do not line up to subdivide and develop on time and

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in sequence. In a private sector market-driven economy, we have to accept that we have to allow for a degree of elasticity.

The first-order issue that the State's strategic land use planning system should focus on is improving the socio-economic well-being of Tasmanians.

This means enabling planning scheme amendments based on aspirational thinking and pro-active development strategies.

The State's strategic land use planning system simply does not allow for such amendments.

The recent refusal by the Tasmanian Planning Commission of the expansion of the Boyer Industrial Hub, is a recent example. (Sadley, this decision will almost certainly cost Tasmania investment and jobs while existing major infrastructure services connected to the hub remain underutilised.)

This can be fixed by infusing the Tasmanian Planning Policies with relevant parts of the Economic Diversification and Investment Strategy (once finalised) and, subsequently, the Regional Land Use Strategies.

As an important aside, a refocus on economic and social imperatives is needed to truly pursue 'sustainable development' as defined in the legislated objectives of Tasmania's Resource Management and Planning System.

In summary, making the existing planning system work correctly, to build a new future, within the existing planning legislation would produce very significant gains without the need to wait for new legislation.

2.5 Correct Use of Demographic Date and Projections

Page 32 of the draft EDIS calls for comments on "improved regional economic, development, liveability and demographic data and projections …".

Tasmania's State planning system has fallen into the trap of believing data on past demographics and development evidence of past demand, and we have then been set out planning strategies to accommodate projections of recent trends.

This is incorrect thinking.

Firstly, past statistics is evidence of past supply, not past demand. The depth and breadth of the housing crisis tells us that whatever the statistics on past housing development was, it was not enough. Housing supply has fallen short of housing demand for three decades. Demand exists, and confusing past supply with past demand is exacerbating the housing crisis.

Secondly, demographic projections should not be taken as inevitable. We can choose intervene with aspirational thinking and pro-active strategies to 'change the future' if we wish. Tasmania did this once before, with the thinking behind hydro-industrialisation, and we can do it again if we wish.

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The Draft Economic Diversification and Investment Strategy is evidence that at least some parts of the State Government wish to think this way. The challenge is re-orienting the deep thinking within the State's strategic land use planning system to facilitate rather than hinder.

2.6 Infrastructure Planning & Developer Contributions

Page 40 of the draft EDIS calls for comments on developing an infrastructure pricing and fair developer contributions policy.

The current Urban Growth Boundary / Settlement Growth Boundary concept embedded within the State's strategic land use planning system is fundamentally flawed with its short-sighted timeframe of 15 years and presents a major obstacle in this worthwhile endeavour.

The 15-year timeframe provides no real benefit to anyone. It is no more than a map of the next parcels of land to be rezoned.

The infrastructure providers are building assets with 50 – 100 year life spans, and need to be able to correctly size major investments. They cannot do this with such a short time horizon provided to them by the planning system.

They cannot properly plan infrastructure networks and cannot fairly calculate developer contributions across the ultimate catchments.

Council understands that at least some or the major infrastructure providers are now doing their own urban growth boundary maps with 50+ year time horizons. Clearly, it would be preferrable if the State's planning system could move its mindset to work on this timeframe so that strategic land use planning can properly coordinate with long term infrastructure planning.

Furthermore, the provision of infrastructure by public sector entities needs to be thought of as economic development enablers. This critical aspect of infrastructure provision seems to have been lost in recent years, particularly when it comes to supporting wealth generating economic activity in regional and rural areas.

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3. FLAWS IN THE STATE'S PLANNING APPARTUS THAT WILL SCUTTLE EDIS STRATEGIES THAT REQUIRE PLANNING SCHEME AMENDMENTS IN ORDER TO BE IMPLEMENTED

In recent decades Tasmania's State planning apparatus (the Planning Minister, the State Planning Office and the Tasmanian Planning Commission), have:

- Avoided aspirational thinking and pro-active socio-economic strategic land use planning.
- Maintained a passive mindset to thinking about the future, drafting and implementing strategies that simply react to past demographics and their future projections.
- Failed to purse 'Sustainable Development' as defined by the Objectives of the RMPS, (as set out in the legislation), neglecting the economic development imperative.
    - This is directly impacting the socio-economic well-being of all Tasmanians.
- Accepted the projections of demographers as inevitable, and planned accordingly, allowing only minimal new opportunities for new housing and economic development.
- Failed to understand basic market forces.
    - The artificial shortage of residential zoned land created by the State's planning apparatus has directly contributed to rising land prices and has therefore exacerbated the Housing Crisis.
    - The artificial shortage of industrial zoned land created by the State's planning apparatus has meant that we have missed out on jobs and investment, and has therefore reduced the socio-economic wellbeing of Tasmanians.
        - There is a fundamental difference between industrial land that supports local communities and industrial land for export-oriented industries. The former can be calculated and planned for, the latter cannot.
        - Whenever a rezoning is needed in order for Tasmania to grab an opportunity for a new export oriented industry, the proponent is likely to walk away and invest outside of Tasmania. If a change to STRLUS is also needed, such opportunities will almost certainly be lost to us.
        - The only way Tasmania can provide for new export oriented industries is to think aspirationally and plan pro-actively. We should provide options and opportunities for entrepreneurial investors where it is reasonable to do so.
- Failed to understand the subdivision pre and post application approval processes between a proponent, the infrastructure providers and the local Council. They

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therefore unnecessarily interpose at the rezoning stage, unnecessarily refusing planning scheme amendments proposed by Councils.

- Twisted residential and industrial land supply and demand studies 180 degrees, to produce warped outcomes. These studies all start with Ministers and Councils wanting to ensure that there is *ample appropriately zoned land.* The State's planning bureaucracy then warps this logic to *making sure there is 'not too much' zoned land.* Which is entirely the wrong approach. (We must think inspirationally and plan pro-actively.)

- Further twisted residential and industrial land supply and demand studies by confusing past *supply* with past *demand*.

    - In regard to residential land: statistics on the number of lots created, dwellings built and population increased are measurements of past supply, not past demand. If we continue to conflate the two we will continue widen the gap between demand and supply that is at the core of the Housing Crisis.

    - In regard to industrial land: demand and supply studies only make sense for industrial activity serving the local Tasmanian economy. Industrial enterprises aimed at the export market cannot be predicted.

        - These businesses are established by entrepreneurial, opportunistic investors, who's searches for suitable sites cover all of Australia and further abroad.

        - They need relative certainty and relative immediacy. Mostly they will not wait for planning scheme amendments to (possibly) be approved. In most cases they will simply strike Tasmania off their list of possible locations.

        - The only approach is to pro-actively rezone land for these uses, (where it is reasonable and logical to do so).

        - The State's planning apparatus would be greatly improved in this regard if it works closely with the Office of the Coordinator General and gives due weight to the socio-economic strategies developed by Councils. Neither of these have been happening.

- Misunderstood the concept of Urban Growth Boundary:

    - Urban Growth Boundaries (and Settlement Growth Boundaries) should be based on a 50 year timeframe, at least.

    - The current State Government concept is far too short-term. It is nothing more than a map of "the next blocks of land to be rezoned", in the short term.

    - This is not particularly useful.

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- Infrastructure providers, exasperated with State planning system's myopia, are now creating their own urban growth maps with 50 + year time horizons.
- They are building infrastructure with 50-100 year lifespans.
- For this, and many other reasons, the State planning system needs to completely rethink its concept of Urban Growth Boundary, and embrace long-term strategic land use planning.

- Unnecessarily micro-managed growth and development in rural towns.
  - The Tasmanian Planning Policies and the Regional Land Use Strategies must only deal with strategic land use planning matters of state or regional importance.
  - The current Draft STRLUS unnecessarily and inappropriately micro-manages on-ground outcomes in rural towns.
  - In so doing, the vision and strategies developed by local councils in partnership with local communities are quashed by a State bureaucracy that, for the most part, does not understand rural towns and the role they play in supporting their surrounding economic engines.
  - This top-down approach is impeding economic development and residential growth in rural and regional Tasmania.

- Allowed the perfect to by the enemy of the good.
  - During planning scheme amendment hearings, the Tasmanian Planning Commission will 'look under every rock' to find reasons to refuse, and these are given undue weight in comparison to reasons to approve.
  - We live in an imperfect world. Perfect situations rarely exist.
  - Put simply, we have a choice between providing few perfectly located dwellings or many well located dwellings.

A more detailed explanation of the above points is provided in the appendix, below.

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APPENDIX: PROBLEMS WITH TASMANIA'S PLANNING SYSTEM

1 FAILURE TO PROVIDE FOR ENOUGH FUTURE HOUSING

The Draft STRLUS and the recently approved Tasmanian Planning Policies (TPPs) do not provide for enough future housing opportunities.

1.1 No Urgency to Address the Housing Crisis.

The Draft STRLUS is silent in regard to the Housing Crisis, which is the worst it has been in a century and would appear to be the most important issue to most members of the community.

The Housing Crisis is also not mentioned in the State's recently released TPPs.

Most worryingly, the Draft STRLUS (page 27) believes the current supply of residential land is sufficient:

"Pressures on housing affordability are likely to continue, but can be addressed at least in part, by ensuring capacity for new homes is maintained …"

The Draft STRLUS (and the TPPs) adopts a 'business as usual' stance to the provision of new housing. There is no sense of urgency to ramp up housing supply or do anything different than we have done in recent decades.

The Housing Crisis has many contributing factors, only some of which are within the power of the State's planning system to address. Nevertheless the planning system is the foundation to motivate the Housing Crisis solution.

It is true that State and Local Government planning strategies cannot solve the Housing Crisis on their own, but that does not mean that we should not do everything in our power to contribute to the solution. (SPO officers have used this as an excuse to do nothing).

1.2 No Mention of Tasmania's Housing Target Under the National Housing Accord in the Tasmanian Planning Policies.

Australia has set a nominal housing target under the National Housing Accord. Whilst this may be aspirational, it is important to acknowledge this target if we are to address the Housing Crisis and the impact of the lack of appropriate housing and housing certainty to a significant proportion of the population. The term Housing Crisis obscures the social cost of the shortfall and its flow-on effects.

The National Housing Accord identifies that the rate at which we are providing new housing is half that necessary to address the Housing Crisis; 51%. (Refer table below.)

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Yet the TPPs pay no heed to Tasmania's housing target under the National Housing Accord. Whether this target can be achieved or not in the short term is not a reason to ignore it. The latest draft of new STRLUS chapters now mention the National Housing Accord and the housing targets thereunder, but there is no meaningful follow-through into the written or spatial strategies.

Whist the public sector will provide a small amount of social and affordable housing, it is only the private sector that has the ability to build our way out of the housing crisis – if presented with the opportunities and options to do so by the planning system

We need to make as many opportunities for residential development available to the private sector as is reasonably possible. Currently, and for the last three decades, our system has instead made available the absolute minimum which, for a wide range or real-world reasons not understood by the State Planning Office or the Tasmanian Planning Commission, has never been enough.

In many rural municipalities there is a lot of easy-to-win new housing capacity in rural towns. With a significant labour shortage for our agriculture and rural industries (in part due to a lack of housing opportunities), we need to facilitate more housing and increased population. It is not clear why the Draft STRLUS endeavours to place limits on growth possibilities in rural towns.

Unfortunately, the current business-as-usual approach embedded within the Draft STRLUS and the new TPPs means maintaining artificial restrictions on housing supply options and opportunities.

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Table O.1 Gross new housing supply by state and territory

State/territory	Gross new housing supply, 2019–20 to 2023–24	Gross new housing supply, 2024–25 to 2028–29 (forecast)	Implied share of 1.2 million Housing Accord target*	Gross new supply forecast, ratio to share of target* (%)
New South Wales	251,000	246,000	376,000	65
Victoria	306,000	300,000	306,000	98
Queensland	166,000	194,000	246,000	79
Western Australia	75,000	105,000	129,000	81
South Australia	54,000	59,000	84,000	71
Tasmania	16,000	13,000	26,000	51
ACT	24,000	16,000	21,000	78
Northern Territory	3,000	4,000	11,000	31
Australia	896,000	938,000	1,200,000	78

* The Council has apportioned the Housing Accord target to each state and territory by using their share of the national population in December 2022 (these were the latest population figures available when the 1.2 million Housing Accord target was agreed in August 2023). Of the available options for calculating jurisdictions' share of the target, the Council has chosen this method because it is transparent and stable over time. Alternative approaches could be based on projected population growth over the Housing Accord period. The calculated target shares do not reflect formal agreement between the Australian and state and territory governments.

Note: The sums of figures across states and territories may not align with national totals due to rounding.

Source: NHSAC 2025, ABS National, state and territory population 2023 and ABS Building Activity 2025

1.3 A Passive Acceptance of Demographic Projections and a Lack of Aspirational Planning

Population and demographic projections say that, over the next 25 years:

- Tasmania's population growth will slow down.
- Tasmania's population will age significantly .

Instead of passively accepting thus future, we should take the demographers' projections as a call to action.

The focus on future growth needs to be balanced with consideration of shortfalls. There is a shortfall in many of the capital domains on which social inclusion and economic prosperity are based. Even if population growth was to slow, the unmet housing demand necessitates the provision of zoning to support this. This is a critical factor in regional towns and settlements

An acceptance of projected slow growth creates a false narrative that Tasmania is doomed to spiral downwards to become little more than one large retirement village. If we put aside the fundamental flaws in arriving at this conclusion described elsewhere in this report and accept slow growth projections as true, then the questions is: what do we do with this information?

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The response from Tasmania's State planning system is to passively accept this doom and adopt it as the premise on which the amount of new residential zoning is based.

Further, it does not consider the critical complementary commercial and industrial facilitation necessary to ensure local areas work and provide opportunities that would attract a new younger cohort and start to reverse demographic trends.

As demographer Lisa Denny states, this demographic doom is: *"what will happen if nothing changes"*.

This paper contends that changes will be of two types:

- Those changes that will be thrust upon us no matter what we do:
    - For example: climate change-driven immigration to Tasmania, which will further drive demand for housing in the future.
        - (Tasmania could, in fact, view this as an opportunity to proactively attract a younger cohort of immigrants.)
- Those changes that we choose to make.
    - Proactive, forward looking socio-economic strategies.
        - Tasmania's own policy of hydro-industrialisation in the 20th Century is one example. Hydro-electric schemes and the new industries they facilitated enabled Tasmania to absorb large numbers of post-war European migrants and their families whilst providing plentiful jobs and improving overall living standards.
        - The Republic of Ireland's dramatic change in thinking that lead to its 'Celtic Tiger' economic revival is another example. The term refers to the economy of Ireland from the mid-1990s to the end of the first decade of the 21st century, a period of rapid real economic improvement and population growth. Although certain mistakes paused the revival for around seven years after 2010, the economy is now growing significantly again and Ireland is no longer a poor Western European backwater as it was for many decades prior to the 1990s.

In short: strategic land use planning does not have to be passive and reactive. It can be – and should be – proactive and aspirational.

Tasmania can choose to aim to change the future from what it would otherwise be.

But this will need a fundamental change in mind set within the State's planning system.

This is particularly relevant to socio-economic planning (refer Chapter 2, below) but is

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also highly relevant to the provision of land for housing supply. Indeed the two are intertwined.

1.4 Confusing Past Supply with Past Demand

A critical flaw in the State Planning System's approach, which is instilled in the Draft STRLUS, is in adopting population growth as proxy for demand when the region has undersupplied housing for decades.

Setting residential land supply targets based on 'population projections' that are based on past supply statistics is a fundamental error that Tasmania's planning system has been making for three decades.

If historical supply had matched demand there would be no Housing Crisis.

This method has continuously underestimated past demand. These numbers are then projected into the future, continuing to exacerbate the Housing Crisis.

Local government, embedded within the community, knows that demand exists through regular and consistent anecdotal evidence. Yet this evidence is not accepted by the State's planning system that only recognises the above (flawed) statistical methodology.

A clear way of understanding this 'self-checkmate' is: if there are no lots available then there has been no growth in the new housing. The State's planning system wrongly interprets this statistic as clear evidence of 'no demand'.

This results in rural communities being stuck, with no new residential land being allowed by the State, despite strong demand. The same applies on a bigger scale to greater Hobart.

Past statistics are from a constrained world in which the supply of residential land development opportunities has been artificially restricted.

Yet the depth of the Housing Crises confirms the reality that past supply has been far less than past demand. This fundamental fact appears to be unrecognised within the State's planning system

For the State's planning system to continue to demand that Council Planning Authorities provide irrefutable evidence that demand exists before allowing new rezonings in the middle of the worst Housing Crisis in a century fails to comprehend that factors that are constraining real/actual supply of land and the provision of housing.

Rather than using past supply statistics, factors such as vacancy rates and local employee shortages are preferrable measures of housing demand.

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A new STRLUS presents an opportunity for Tasmania's planning system to set pro-active strategies. We should not defer this major reset to a future iteration of the STRLUS.

Every *reasonable* measure that can be done to increase housing supply must be done. We should at least base our housing target on our share of the National Housing Accord target. This is double the growth envisaged within the Draft STRLUS.

We will need infill and greenfield in Greater Hobart and allow rural towns to grow if we are to make a dent in the Housing Crisis.

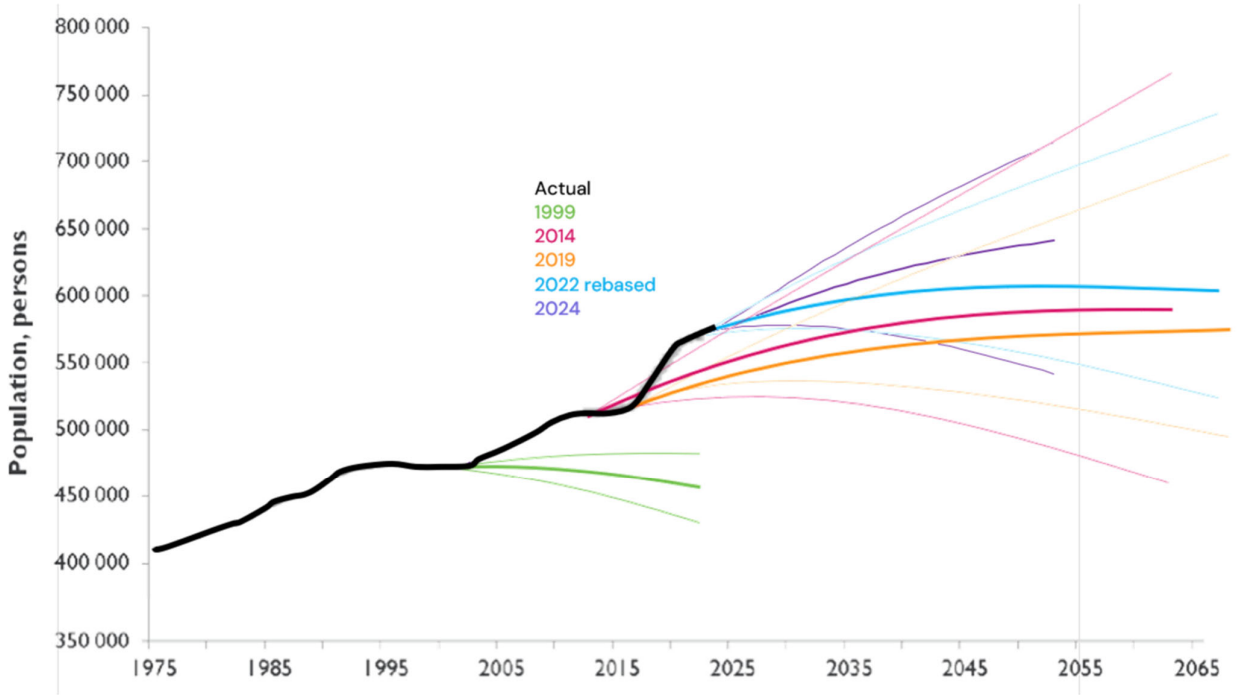
There are numerous townships in the region that offer excellent liveability with a good degree of service. The opportunity to maximise those attributes and make these towns more sustainable in the longer term should be made available where Councils and their local communities are pursuing pro-active socio-economic development strategies.

The following chart demonstrates the State's chronic problem in underestimating demand. Population projections have consistently undershot the eventual reality.

Accepting population projections as true was a mistake of the 2010 STRLUS.

We are now making the same mistake, with RemPlan and Treasury both projecting a slowing growth rate over the next 25 years.

The real world consequences of underestimating demand are far worse than those of over estimating demand, as the depth of the Housing Crisis attests.



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The State's planning system metes out new residential zoned land that is the *minimum theoretically necessary.* However it should be allowing the *maximum reasonably possible.*

We have created an artificial shortage of zoned land, and when supply does not meet demand, prices go up. This pushes up prices at all levels of the housing market, with the most socially disadvantaged at the bottom of the market missing out in increasing numbers. Home ownership aspirations and rental opportunities are equally impacted.

The law of supply and demand is as real and omnipresent as gravity.

Additionally, the minimal opportunity conditions we have created has encouraged land-banking by property developers.

1.5 Maintaining Unrealistic View of the Residential Land Supply Industry

More land should be made available given the Tasmanian market particularly does not operate in accordance with neat planning theories.

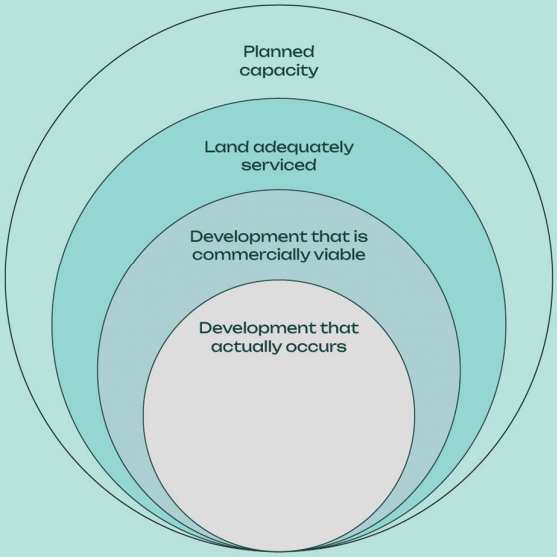
The following diagram from the Auckland Regional Plan (recently adopted into the Adelaide Regional Plan) illustrates the need to zone more land for residential use than we might calculate we need:

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The development process is complex, and a range of factors beyond the planning system influence where, what type, when and how housing is delivered.

The amount of land that is developed is significantly less than identified for growth due to a range of factors, including the ability of land to be serviced by infrastructure, landowner intentions, construction costs and economic factors. An overview of housing targets for each land supply region (LSR) and local government area can be found in the Implementation and Delivery section.

Source 1 The Auckland Plan, Quantify Strategic Insights



The diagram recognises the real relationship between land zoned for residential development opportunity and real-world residential land supply. This is the difference between theoretical supply, as imagined by the State's planning system, and the real-world supply that materialises in practice.

Put simply: landowners and developers do not line up to subdivide on time and in sequence in an orderly fashion. Our strategic planning system has to account for this fact.

In addition to the above, the Draft STRLUS does not understand that inner city medium density dwellings are relatively expensive to construct and are not the preferred option for the majority of the population. Whether we like it or not, most people prefer a detached house with a front and back yard and are content living on the city fringe or in country towns. Contrary to the thinking underpinning the Draft STRLUS, greater Hobart is not of such a size that it experiences the very real problems of much larger cities.

The longer we ignore these realities, the longer the Tasmanian planning system will remain part of the Housing Crisis problem and not become part of the Housing Crisis solution.

More land needs to be rezoned for potential residential use, not less.

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This will need a major change of mindset within Tasmanian's State planning system.

To signal such as change of mindset, in the new STRLUS the chapter titled 'Growth Management' should be renamed to 'Growth Facilitation'.

1.6 Ignoring Future Climate Change Driven Immigration

Increased climate change-induced immigration to Tasmania will occur over coming decades.

To deny this is to deny Climate Change.

Local Government, embedded in the community as it is, is aware of regular and consistent anecdotal evidence that it is already happening. People are moving to Tasmania already and are giving Climate Change as either the main reason or one of the reasons for doing so.

As Climate Change worsens, the mainland heat extremes and other catastrophic weather events will get worse. Whatever the current increase in demand is that is driven by climate change, we have to acknowledge that it will increase in the future.

Whilst this is difficult to objectively measure, the STRLUS should recognise this impact on future housing demand and enable increases in housing supply opportunities without necessitating amendments to the STRLUS.

A small ripple outwards from the mainland States will manifest as a large increase in demand for Tasmanian residential properties – which will come on top of the existing unmet demand.

Population projections based on past statistics do not, and cannot, take Climate Change-driven immigration pressure into account. RemPlan and other demographers have all stated that the reason for not considering this issue is because they cannot gather data on it. However, this is no reason for the State's planning system to ignore this issue.

It is not the function of demographers to assess this future influence. (They can only look backwards for statistical evidence.)

But it is the job of the planning system is to think of the future. In doing so it must take into account a range of information and 'future thinking'. Not just past statistics.

This is one of many reasons why the STRLUS and the Tasmanian Planning Policies must be forward-looking, aspirational and pro-active.

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1.7 A Flawed Concept of Settlement Growth Boundaries.

The Urban Growth Boundary (UGB) / Settlement Growth Boundary (SGB) concept within the Draft STRLUS is mis-construed and is not fit for purpose. This is because:

- It is merely a short-term guide to the next parcels of land to be rezoned to residential use.
- It does not have a sufficiently long time horizon to be otherwise useful.
    - The stated minimum 15 / 25 year time horizon implies that a longer timeframe could be envisaged. However, past practice has shown that the State's planning system will not countenance longer timeframes and the stated minimum timeframe will be interpreted by the TPC as the requirement.
- The major infrastructure providers, for instance, would prefer a much longer timeframe, at least a 50-year time horizon, to adequately plan their infrastructure.
    - Infrastructure providers build assets with 50-100 year lifespans. They need to size the major components properly.
    - Without longer timeframes, calculating headworks charges per new lot in a given future catchment area becomes difficult or impossible.
        - This would appear to be a major reason why TasWater has adopted its 'first mover pays' policy, (a policy that is causing bottlenecks in the supply chain for new residential lots).
    - At least one of the major infrastructure providers, frustrated with the State planning system's short time horizons, has now started developing their own 50 + year growth maps.
- The current UGBs/SGBs are based on 'population projections' which are fundamentally flawed for multiple reasons described elsewhere in this report.

The UGB and SGBs should be the outer long-term limit of settlement growth.

- They may approximately identify land that will be used for residential, commercial, industrial, open space or recreational, etc. purposes, but should not pre-define such spatial arrangement to a high degree.
    - This thought process should be left to local structure planning.
    - The level of detail imposed by the State should only be that necessary to address genuine regional strategic land use planning matters.
    - The current highly definitive approach represents a major over-reach by the

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State's planning system in local-level planning issues. These should be left to the Council Planning Authorities and their local communities.

Concerns expressed by the TPC that a large UGB around Greater Hobart will lead to un-serviced residential lots and/or an over-supply of residential lots are unfounded:

- Drawing an UGB is just the first of three major decision points before new residential lots materialise.
    - The rezoning stage is the second, at which the issue of infrastructure servicing is explored.
    - The subdivision development application stage is the third, at which the infrastructure servicing issues are fully addressed. It is simply not possible for a residential subdivision to receive planning approval unless the servicing challenges have been resolved between the proponent and the infrastructure providers.
    - In addition, there is ultimately a judgment of financial risk on the part of the developer, taking into account the cost of development (which includes infrastructure) balanced against the potential sale value of the lots. If the sums don't add up, the proponent will not go forward and develop the subdivision.
- The Free Market will ensure there is not an over-supply of lots. If we ever approach the point of market over-supply, this will send a price signal to developers who will slow or cease investment in subdivisions. (Tasmania's housing supply system is a long way from this point, as the depth of the Housing Crisis attests, however.)

The fact that the Tasmanian Planning Commission apparently does not understand the above is deeply concerning. Yet it perhaps goes some way to explaining past refusals of rezoning applications put up by Council Planning Authorities.

UGBs / SGBs are not the only way to manage growth in rural communities and represent an unnecessary restriction. It precludes the consideration of opportunities not previously recognised, however this does not make these opportunities inappropriate. The tests contained in the LUPAA and other considerations in the STRLUS can analyse whether growth is appropriate or not, in a locality.

Issues such as intentional or unintentional land-banking by owners and old zonings on undeveloped land that have services or environmental constraints are matters that influence whether residential land supply in a given town is effective, affordable and realistic.

Within the Draft STRLUS there is no recognition of the complexity of the economics of developing land, only a fixation on where the growth is going to go in the short term.

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A UGB around Greater Hobart is justified on the basis that it is one large settlement cut up between many local Council Planning Authorities and there are issues that need to be managed in a coordinated way across the whole area.

This is not that case for rural towns, however, and the content of the STRLUS needs to be altered to reflect that the strategy of mapping growth boundaries is just one way to achieve the objectives, but is not prioritised above an appropriate demonstration of alternatives, or additional opportunities. In this way, settlements that are better placed to set out the preferred growth areas within a spatial boundary can implement this, however this does not preclude other settlements or areas demonstrating sustainability through growth on a case-by-case basis, as the detailed work is undertaken.

Whilst the case exists for a UGB around Greater Hobart, the criticisms in this paper on the State planning system's *concept* of a UGB / SGB remain valid. The proposed Greater Hobart UGB is short sighted spatially & temporally, and in the range of issues it ought to address.

1.8 Unnecessarily Micro-Managing Rural Communities and Regional Towns

The draft STRLUS appears to be written on the presumption that it knows everything at the local level.

Rural towns do not need Settlement Growth Boundaries. They particularly do not need them imposed in an adversarial manner by the State's centralised planning system.

Nor do they need the 'de facto' Settlement Growth Boundaries set up by the Draft STRLUS through which towns with no proposed SGBs are limited to existing zoned land.

This paper contends there are no regionally significant strategic planning reasons for SGBs.

There is no flexibility to consider the practical realisation of currently zoned land and the maintenance of a rolling reserve of land supply that is practically and commercially developable.

The imposition of growth restrictions on rural towns is unnecessary and will impede any future revitalisation opportunities. For example the instance where a significant employer may be looking for a new location. Having to amend the planning scheme to allow for such opportunities is usually enough to dissuade such potential investors, but having to amend the STRLUS would most certainly spell the end of any such opportunity.

We need a planning system that is nimble and responsive if it is to be a facilitator rather than a hindrance in revitalising local communities.

Overall, the underlying intent of the Draft STRLUS appears to be to direct population growth and economic opportunity to Greater Hobart, away from rural communities.

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This demonstrates a failure of the State's planning system to understand the function of rural towns as service centres to surrounding economic engines. These are mostly made up of export-oriented industries that bring new prosperity into the Tasmanian community.

Generally speaking, there are no regional strategic planning ramifications if these towns grow and it is unwarranted for the centralised State planning system to interfere with the aspirations and sustainability of rural communities and their surrounding rural industries.

Essentially, rural towns perform different and more significant functions than similar sized urban/suburban centres within Greater Hobart. In the Draft STRLUS they are treated the same.

The Draft STRLUS appears to be written with a focus on metropolitan planning practice and has a simplistic view of rural and regional areas, failing to recognise the role that these localities, settlements and communities have in the broader economy. (An example of this is the significant over-use of the Agriculture Zone in the Southern Tasmania that was imposed by the State's planning system.)

1.9 Pursuing the Perfect at the Expense of the Good.

The TPPs and the Draft STRLUS demand an idealistic perfect pattern of growth and development. This approach often leads to development stagnation, expansion choke-points and exacerbates land-banking.

Greater Hobart is not a big city with big city problems demanding rigid-theory strategic land use planning solutions.

The biggest problem by far, right now, is the Housing Crisis.

We need to find many new housing development opportunities for both the private and public sector to take up that provide reasonably acceptable outcomes.

We need many *reasonably well* located homes, not few *perfectly* located homes.

Pursuit of the perfect is the enemy of the good.

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