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Shane Gregory
A/Secretary
Building Tasmania

Dear Shane

Re: Submission to the Economic Diversification and Investment Strategy

The Housing Industry Association (HIA) welcomes the opportunity to comment on the draft Economic Diversification and Investment Strategy. HIA is the peak body for Australia's residential building industry, and our Tasmanian members build the homes, subdivisions and industrial premises that this Strategy repeatedly identifies as preconditions for economic success.

We support the Strategy's central premise, being that Tasmania's prosperity depends on private investment, higher productivity and broader participation, and that public effort should be concentrated where it unlocks value the private sector cannot deliver alone. This submission focuses on the one enabler the draft names in almost every priority but does not yet treat as a distinct economic lever: the supply of well-located housing and residential-ready land.

1. Housing supply is treated as an enabler but not resourced as one

The draft recognises that housing supply shapes economic performance in its own right, that access to housing near jobs makes it easier for businesses to recruit, and that in some regions the binding constraint on growth is not demand for investment or employment but the practical capacity to accommodate the workforce. Priority 4 goes further, arguing that housing supply, land readiness and infrastructure sequencing should be treated as economic enablers, not separate concerns.

HIA strongly endorses this framing, however our concern is that housing is discussed as context across Priorities 1, 3, 4, 5 and 6, but does not appear as a strategic priority in its own right, and the Tasmanian Housing Strategy sits in the second tier of the policy hierarchy rather than as a headline economic instrument.

If housing supply genuinely determines whether workforce, participation and regional-activation goals are achievable, and the evidence says it does, then the final Strategy should carry an explicit, measurable commitment to residential land and housing supply, not only to industrial and strategic land. We recommend the Strategy adopt a housing-supply outcome and key indicator alongside its investment and productivity measures.

2. Demand-side support does not create supply

HIA's consistent position across all our housing advocacy is that government support directed at the purchase of established dwellings moves demand around; it does not add a single home to the market. In a state the draft describes as facing natural population decline from the early 2030s, the oldest median age in the country, and demand for an additional 32,000 workers within two years, the only durable answer is to build more homes.

We ask that the final Strategy make this distinction explicit in how it applies its own decision-making principles. The principle of using public resources strategically, targeting support where it unlocks wider benefit rather than substituting for private investment that would occur anyway, points directly at redirecting effort from established-market demand support toward new construction.

We would welcome the Strategy stating that housing-related public investment will be assessed against whether it demonstrably increases net dwelling supply.

3. Planning scheme reform

The draft acknowledges planning as a constraint, but the final Strategy should be clearer, that planning reform is the strongest lever government controls to increase housing supply.

- Complete and build on the Tasmanian Planning Scheme. Statewide coverage should be the starting point for a post-rollout reform program that standardises assessment pathways, benchmarks council performance and targets provisions that delay residential delivery.

- Expand permitted pathways for compliant development. Code-compliant residential development should proceed as of right wherever possible, reducing cost, time and uncertainty without compromising planning outcomes.

- Improve assessment consistency. Publish council assessment timeframes and approval rates so delays and inconsistent practices are visible and improvement is evidence-based.

A faster major-projects pathway should not substitute for mainstream planning reform. Most housing is delivered through routine assessment, so that is where supply reform for most housing must occur.

4. Land supply and rezoning

The Priority 1 consultation focus commits to more predictable and faster pathways for the rezoning of land to meet emerging industrial, strategic and well-located housing needs, and Priority 4 proposes a rolling mechanism to gather information from businesses, councils and communities about the supply of land for industry and well-located housing. These are, in our view, among the most valuable commitments in the document.

HIA supports both without reservation and urges that they be sharpened from process commitments into supply commitments, for example, a published pipeline of residential-zoned land against measurable multi-year targets, with reporting on release rates. A rolling information-gathering mechanism only helps if it drives a rolling supply response.

5. Infrastructure pricing and developer contributions

HIA does not support the introduction of new or expanded infrastructure pricing and developer contribution charges. While the objective of funding infrastructure is understood, these charges are ultimately embedded in the price of the finished home. In practice, they operate as a tax on new housing supply and would add cost at precisely the point the Strategy is seeking to improve affordability, increase supply and support well-located growth.

The final Strategy should therefore reject any developer contribution framework that increases the cost of new residential development. Infrastructure funding should instead be addressed through transparent, broad-based government investment and sequencing that brings land to market without loading additional costs onto new home buyers. If any reform is pursued, it must be limited to genuine, site-specific works directly required by a development, with no broader cost shifting to the residential building sector.

6. The Economic Future Act and integrated major-project pathway

HIA understands the appeal of a clearer, faster pathway for major job-creating projects. However, any Economic Future Act should complement the planning system, not divert focus or resources from the routine approvals that deliver most housing supply.

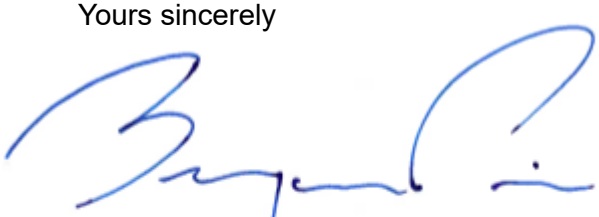
- **Scope and threshold.** The pathway should be limited to genuinely strategic projects and must not disadvantage volume residential and small-to-medium development.
- **Decision standards.** “Faster to yes, or faster to no” should be supported by clear, published assessment criteria.
- **Planning system interaction.** The pathway should complement, not fragment, the Tasmanian Planning Scheme.
- **Consultation.** HIA asks to be engaged directly in the detailed design of the Bill.

7. Workforce

Construction is both a major employer and a capacity constraint. Stop-start policy settings weaken the industry's ability to retain and train workers, so a stable land and housing pipeline should be recognised as a workforce-capability measure under Priority 5.

HIA would welcome further engagement and the opportunity to contribute to associated action plans.

Yours sincerely



Benjamin Price
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