SUBMISSION BY DAMIAN MACKEY

THE TASMANIAN STATE GOVERNMENT'S DRAFT ECONOMIC DIVERSIFICATION & INVESTMENT STRATEGY

21 August 2026

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.

The Strategy demonstrates aspirational thinking and proposes a number of proactive strategies capable of supporting economic diversification, investment, employment and regional development across Tasmania.

However, that the success of the EDIS will depend substantially on its integration with Tasmania's strategic land use planning system.

Over the past three decades, Tasmania has produced a number of forward-looking strategies containing sound and aspirational objectives. Too often, however, the implementation of those objectives has been constrained by a State planning system that is unable to accommodate proactive planning scheme amendments necessary to give effect to them.

This has contributed to missed opportunities for investment and employment and has constrained housing supply.

The overriding concern, therefore, is that the EDIS must be formally integrated into Tasmania's strategic land use planning framework.

This should occur through:

1. a review and recasting of the Tasmanian Planning Policies (TPPs); and
2. a subsequent review and substantial revision of the Regional Land Use Strategies (RLUSs) to ensure they are consistent with the revised TPPs and the EDIS.

Without this integration, there is a significant risk that many of the EDIS strategies will remain aspirational statements rather than becoming practical mechanisms for delivering economic and social outcomes.

2. SUGGESTED IMPROVEMENTS AND COMMENTS

2.1 Aspirational Thinking and Proactive Strategies

The aspirational thinking and proactive strategic approach embedded within the Draft EDIS are strongly supported.

Tasmania needs to build a new future that is fit for purpose for the 21st century. This requires a willingness to consider what Tasmania could become, rather than simply planning around historical trends and demographic projections.

This approach is also consistent with the concept of sustainable development contained within Tasmania's Resource Management and Planning System (RMPS), which requires appropriate consideration of social, economic and environmental objectives.

In my view, these three elements need to be more appropriately balanced within Tasmania's planning system. Economic and social considerations have, over recent decades, received insufficient weight relative to environmental and process-based considerations.

A genuinely sustainable approach requires all three elements to be considered together.

2.2 A Welcome Focus on Regional Tasmania

The strong focus on regional Tasmania within the Draft EDIS is welcome.

This recognises the significant wealth-generating economic activities undertaken in regional and rural areas and the important role that regional towns play as service centres for the economic activities occurring within their surrounding regions.

Regional communities are not simply population centres. They provide the workforce, services, infrastructure and social foundations that support agriculture, forestry, tourism, manufacturing, energy, mining and other wealth-generating activities.

This is in contrast to metropolitan areas, where a greater proportion of economic activity involves the circulation and servicing of existing wealth rather than the generation of new export income.

The current redraft of the Southern Tasmania Regional Land Use Strategy (STRLUS) does not adequately reflect this regional perspective. Its approach is excessively metropolitan-centric and insufficiently responsive to the needs of rural communities.

2.3 Integration with the Strategic Land Use Planning System

The Draft EDIS describes itself as a whole-of-government strategy.

If this is to be achieved in practice, the final EDIS must be explicitly integrated into the State's strategic land use planning system.

In my observation, over a 30-year career as a land use and economic development planner, local government is generally supportive of economic activity and appropriate residential growth. The principal impediment is not a lack of willingness by Councils, but a State planning system that has historically been reluctant to facilitate proactive planning scheme amendments based on aspirational socio-economic strategies.

The final EDIS provides an opportunity to address this disconnect.

I suggest that:

- The pyramid diagram on page 5 of the Draft EDIS be amended to explicitly include Tasmania's strategic land use planning system;
- The final EDIS expressly identify integration with the State's strategic land use planning framework as an implementation requirement;
- The final EDIS be incorporated into and reflected within the Tasmanian Planning Policies (TPPs);
- The TPPs be reviewed at the same time to remove or moderate provisions that may unnecessarily constrain economic development, housing supply and regional growth;
- The current draft Regional Land Use Strategies not be finalised until they have been reviewed against the final EDIS and revised TPPs;
- The Regional Land Use Strategies subsequently be substantially reworked to ensure that they facilitate, rather than constrain, the objectives of the EDIS; and
- The above processes be progressed concurrently wherever practicable.

I also suggest that the Office of the Coordinator-General and the Tasmanian Development Board work much more closely, on an ongoing basis, with the State Planning Office and the Minister responsible for planning.

Economic development and strategic land use planning cannot operate effectively as separate policy functions. The agencies responsible for investment attraction, economic development and planning need to work as an integrated system.

This will also require a change in culture within the State planning system. Strategic planners need to be encouraged to embrace aspirational thinking and proactive strategy development rather than relying predominantly on historical trends and projections.

With this change in approach, Local Government and State Government can work together more effectively to create a new future for Tasmania.

2.4 Unlocking Private Investment

Priority 1 of the Draft EDIS focuses on unlocking private investment and proposes consideration of a new Economic Future Act to provide a clearer and faster pathway for major job-creating projects.

This objective is supported.

However, I believe that very substantial improvements could be achieved by reorienting the existing planning and development system within the current legislative framework, without waiting for new legislation.

This would require a significant change in mindset within the State's strategic land use planning system.

The current approach tends to place considerable reliance on historical statistics, demographic projections and evidence of demonstrated past demand. Major change is often contemplated only when it can be shown to be necessary based on historical evidence, with significant emphasis placed on the concept of orderly development.

Orderly development is important. However, it is a secondary consideration to the fundamental objective of improving the socio-economic wellbeing of Tasmanians.

A private-sector, market-driven economy cannot always operate according to predetermined development sequences. Developers and entrepreneurial investors do not necessarily arrive in a predictable order or seek to develop land in accordance with a predetermined timetable.

The planning system therefore needs sufficient flexibility and elasticity to respond to investment opportunities as they arise.

The first-order consideration should be whether a proposed planning outcome contributes to Tasmania's social and economic wellbeing, while appropriately addressing environmental and infrastructure considerations.

This requires planning scheme amendments to be capable of responding to aspirational and proactive development strategies.

The recent refusal by the Tasmanian Planning Commission of the proposed expansion of the Boyer Industrial Hub illustrates the potential consequences of the current approach. Decisions of this nature can result in lost investment and employment opportunities while existing major infrastructure associated with an industrial hub remains underutilised.

This problem can be addressed by incorporating the relevant economic development objectives of the final EDIS into the TPPs and subsequently the RLUSs.

Making the existing planning system work more effectively within the current legislative framework can deliver significant economic benefits without waiting for new legislation.

2.5 Correct Use of Demographic Data and Projections

Page 32 of the Draft EDIS seeks comment on improved regional economic, development, liveability and demographic data and projections.

Better data is always a good idea. However, it is important that data and projections are used appropriately.

There is a fundamental distinction between evidence of past development and evidence of demand.

For example, statistics showing the number of residential lots created, dwellings constructed or population accommodated are measures of past supply. Not demand.

The continuing housing shortage demonstrates that historical rates of housing supply have not been sufficient to meet demand.

Planning decisions based primarily on past rates of development risk perpetuating an existing shortage rather than addressing it.

Similarly, demographic projections should not automatically be treated as inevitable outcomes.

Government has the capacity to influence future population and economic growth through infrastructure investment, economic development, employment opportunities, housing supply and other policy interventions.

Tasmania has previously demonstrated the capacity to use aspirational thinking and proactive economic strategies to change its future. The development of hydro-industrialisation provides a powerful historical example.

The EDIS itself demonstrates that the State Government recognises the value of thinking beyond historical trends.

The challenge is to ensure that the State's strategic land use planning system adopts the same approach and facilitates, rather than frustrates, these ambitions.

2.6 Infrastructure Planning & Developer Contributions

Page 40 of the Draft EDIS seeks comments on developing an infrastructure pricing and fair developer contributions policy.

The development of a fair and transparent approach to infrastructure pricing and developer contributions is supported.

However, the current Urban Growth Boundary and Settlement Growth Boundary concepts within Tasmania's strategic planning framework present a significant impediment to achieving this objective.

The current 15-year planning horizon is too short for effective long-term infrastructure planning.

Infrastructure assets commonly have useful lives of 50 to 100 years or more. Infrastructure providers therefore need to understand the likely ultimate extent and distribution of urban and settlement growth when planning major networks and determining the appropriate scale of investment.

A 15-year growth boundary provides little more than an indication of the next areas likely to be considered for rezoning. It does not provide a sufficiently long-term strategic framework for infrastructure planning.

Some major infrastructure providers are now developing their own urban growth mapping using 50-year or longer planning horizons.

This is an indication that the State planning framework needs to adopt a comparable long-term perspective in order to integrate land use and infrastructure planning.

A longer-term Urban Growth Boundary would allow:

- Infrastructure providers to appropriately size major infrastructure investments;
- Infrastructure networks to be planned more efficiently;
- Developer contributions to be calculated more fairly across ultimate infrastructure catchments;
- Councils to undertake more effective long-term land use planning; and
- Private investment to occur with greater certainty.

Public infrastructure should be recognised as an economic development enabler.

Infrastructure investment is not merely a consequence of development. In many circumstances, infrastructure enables development to occur in the first place.

This is particularly important in regional and rural Tasmania, where strategic infrastructure investment can unlock wealth-generating economic activity and support significant employment and investment opportunities.

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

The principal concern is that weaknesses within Tasmania's current strategic planning framework may prevent the EDIS from achieving its intended outcomes where implementation requires planning scheme amendments.

These weaknesses include the following.

3.1 Lack of Aspirational and Proactive Planning

For at least three decades, the State planning system has tended to avoid aspirational thinking and proactive socio-economic strategic land use planning.

The system has instead relied on responding to historical demographic and development trends and projecting those trends into the future.

This approach is not sufficient to support a strategy that seeks to actively diversify Tasmania's economy and attract new investment.

3.2 Insufficient Weight Given to Economic Development

As a consequence of the above, the State's Planning System has not adequately pursued the sustainable development objectives of the RMPS, particularly the economic development component.

This has consequences for the socio-economic wellbeing of Tasmanians.

Economic development, social wellbeing and environmental protection should not be treated as competing objectives in every circumstance. A properly integrated planning system should seek outcomes that advance all three.

3.3 Over-Reliance on Demographic Projections

Demographic projections should inform planning, but should not determine the future.

Tasmania can influence its future population and economic trajectory through proactive policy and investment decisions.

A planning system that assumes demographic projections are inevitable risks constraining the very growth and investment that government strategies seek to encourage.

3.4 Artificial Constraints on Residential and Industrial Land Supply

The shortage of appropriately zoned residential land has contributed to increased land prices and exacerbated the housing crisis.

Similarly, insufficient availability of appropriately zoned industrial land can result in Tasmania missing investment and employment opportunities.

There is an important distinction between industrial land required to service the local Tasmanian economy and land required for export-oriented industries.

Local industrial demand can be estimated to a reasonable degree. Export-oriented industries, however, are much more difficult to predict because they are often driven by entrepreneurial and opportunistic investment decisions.

An investor considering a major export-oriented project is likely to consider locations across Australia and potentially internationally.

Such investors generally require reasonable certainty and reasonable immediacy. If a planning scheme amendment is required and there is a risk that it may not be approved, Tasmania may simply be removed from consideration.

The appropriate response is therefore to provide reasonable opportunities and options through proactive strategic planning, particularly where land is logically and appropriately located.

3.5 Unnecessary Intervention at the Rezoning Stage

The State Planning System does not always adequately recognise the roles of the proponent, infrastructure providers and Local Government following the rezoning process.

Detailed infrastructure, servicing and development issues are assessed during subsequent planning and subdivision approval processes.

Unnecessary intervention at the rezoning stage can therefore prevent appropriate development opportunities from progressing.

3.6 Misinterpretation of Land Supply and Demand

Residential and industrial land supply studies should be carefully reviewed to ensure that they distinguish between past supply and actual demand.

For residential land, the number of lots created and dwellings constructed measures historical supply. These statistics do not measure the full extent of demand.

For industrial land, the distinction is even more important for export-oriented industries. Demand from businesses seeking to establish new export-oriented operations cannot reliably be predicted through conventional historical demand modelling.

These businesses are often attracted by particular opportunities, infrastructure, workforce availability, access to markets and other factors.

The planning system therefore needs to maintain a sufficient range of appropriate opportunities rather than attempting to predict precisely where every future business will locate.

3.7 Urban Growth Boundaries

Urban Growth Boundaries should be based on a planning horizon of at least 50 years.

The current approach is too short-term and effectively identifies little more than the next areas likely to be rezoned.

This is inconsistent with the long-term nature of infrastructure investment.

Infrastructure providers are investing in assets with lifespans of 50 to 100 years. Strategic land use planning should therefore provide sufficient long-term certainty to allow those investments to be planned efficiently.

The State Planning System should reconsider the purpose and methodology of Urban Growth Boundaries and adopt a genuinely long-term strategic approach.

The Urban Growth Boundary concept is most useful in metropolitan areas covered by multiple local government areas. Such urban regions need certain elements to be planned and coordinated across the whole settlement.

The need for 'Settlement Growth Boundaries' across rural towns where the whole settlement is under the jurisdiction of one local government must be questioned, however. In these cases, township Structure Plans are more than adequate and the idea of Settlement Growth Boundaries locked in stone by Regional land Use Strategies is unnecessary and clumsy. In practice, the cons outweigh the pros and 'Settlement Growth Boundaries' ultimately become a bureaucratic hindrance to future growth and prosperity.

3.8 Micro-Management of Rural Towns

The TPPs and RLUSs should focus on strategic land use matters of State or regional significance.

The current draft STRLUS moves beyond this role by unnecessarily prescribing and micro-managing local development outcomes within rural towns.

Local Councils are best placed to work with their communities to understand the character, opportunities and challenges of individual towns.

A highly prescriptive, top-down approach can override locally developed strategies and prevent rural communities from responding to their own economic and demographic circumstances.

This risks impeding economic development and residential growth in regional Tasmania.

3.9 Allowing the Perfect to Become the Enemy of the Good

The State's planning assessment processes (e.g. at the TPC) often place disproportionate weight on identifying potential shortcomings in a proposal while insufficiently considering the benefits that the proposal may deliver.

Planning occurs in an imperfect world. Perfect development outcomes rarely exist.

The appropriate question should be whether the overall outcome provides a net benefit and represents an appropriate balance between competing objectives.

For example, there may be a choice between providing a small number of dwellings in optimal locations and providing a greater number of well-located locations.

Furthermore, our system needs to recognise that developers and entrepreneurs do not line up to subdivide and develop on time and in sequence. The Tasmanian State Planning System erroneously imagines that they do, with thinking harking back to old Soviet era five-year deterministic planning. This 'wrong think' ends up creating bottle necks in the supply of residential land and lost economic development opportunities.

Orderly development is important, but it is a second-order issue. The top priority must be contributing to the housing crisis solution (not making it worse) and improving the socio-economic well-being of Tasmanians.

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4. Conclusion

The aspirational direction of the Draft Economic Diversification and Investment Strategy is strongly supported.

The Strategy provides an opportunity to establish a new approach to Tasmania's economic future: one that is proactive, investment-focused and responsive to the significant opportunities available to the State's regional communities.

However, the success of the EDIS will ultimately depend upon whether its objectives can be translated into practical outcomes through Tasmania's planning and infrastructure systems.

The final EDIS must be integrated into the State's strategic land use planning framework.

This should involve:

1. Incorporating the EDIS into the Tasmanian Planning Policies;
2. Reviewing the TPPs to remove provisions that unnecessarily constrain economic development, investment and housing supply;
3. Substantially revising the Regional Land Use Strategies to align with the final EDIS and revised TPPs;
4. Adopting a genuinely long-term approach to Urban Growth Boundaries;
5. Improving coordination between economic development, investment and planning agencies;
6. Giving appropriate weight to proactive economic and social strategies developed by Local Government;
7. Recognising infrastructure as an enabler of economic development; and
8. Ensuring that planning decisions are based on a balanced consideration of social, economic and environmental outcomes.

Without this alignment, there is a substantial risk that the EDIS will remain a well-intentioned strategy whose implementation is constrained by the very planning system that should be helping to deliver it.

APPENDIX: PROBLEMS WITH TASMANIA'S PLANNING SYSTEM

A 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.

A.1 No Urgency to Address the Housing Crisis.

The Draft STRLUS is silent in regard to the Housing Crisis, which is widely reported to be the most acute in living memory 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 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.

A.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.

National Housing Supply and Affordability Council modelling indicates that Tasmania's forecast gross new housing supply for 2024-25 to 2028-29 is 51 per cent of its implied share of the 1.2 million Housing Accord target. (Refer table below.)

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.

Whilst 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 of real-world reasons, 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.

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

A.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 question is: what do we do with this information?

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"*.

Commented [FM1]: Attribution risk. Lisa Denny has published commentary on this same draft EDIS arguing that population ageing should be treated as a success story and an opportunity, not a decline narrative. Quoting her in support of a 'demographic doom' framing, alongside the 'one large retirement village' line above, invites a public correction from the person cited. Recommend either removing the quote or reframing the passage to align with her argument. Verify her published position before lodgement.

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

A.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 Crisis 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 the 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 preferable measures of housing demand.

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.

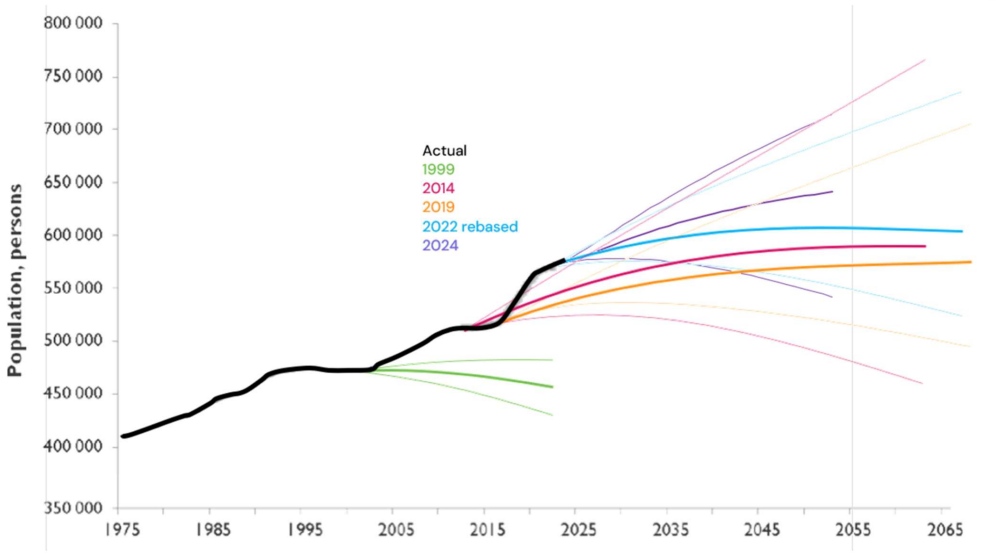
There are numerous townships in the region that offer excellent liveability with a good degree of service. The opportunity to maximise those attributes and make these towns more sustainable in the longer term should be made available where Councils and their local communities are pursuing pro-active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

The following chart illustrates the State's recurring problem in underestimating demand, with successive vintages of population projection undershooting the eventual reality. [Insert source and figure caption before lodgement.]

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.



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.

Sustained under-supply relative to demand puts upward pressure on price.

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

A.5 Maintaining Unrealistic View of the Residential Land Supply Industry

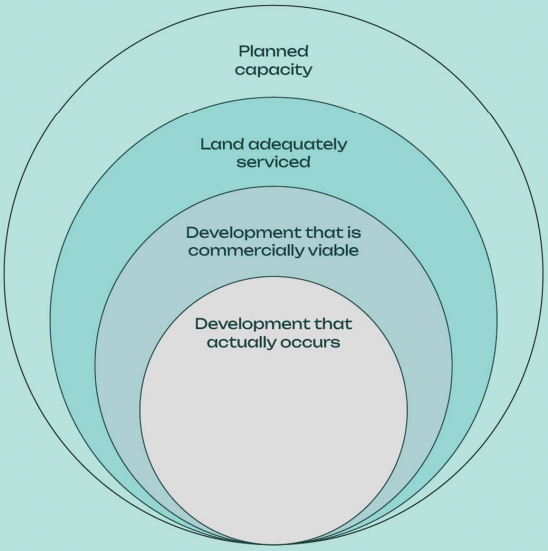
More land should be made available given the Tasmanian market particularly does not operate in accordance with neat planning theories.

The following diagram, sourced from The Auckland Plan (Quantify Strategic Insights) and reproduced in the Greater Adelaide Regional Plan, illustrates the need to zone more land for residential use than we might calculate we need:

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.

This will need a major change of mindset within Tasmania'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'.

A.6 Ignoring Future Climate Change Driven Immigration

If Climate Change plays out as predicted then we must foreshadow that it will increase migration to Tasmania over coming decades.

We are all no doubt aware of 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 State's Planning System should recognise this impact on future housing demand and enable increases in housing supply opportunities, proactively.

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. <u>However, this is no reason for the State's Planning System to ignore this issue.</u> Demographics only tell us what happened in the past. We can choose what happens in the future.

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 to think about 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 Regional Land Use Strategies and the Tasmanian Planning Policies must be forward-looking, aspirational and proactive.

A.7 A Flawed Concept of Urban Growth Boundaries and Unnecessary Imposition 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.
- The current UGB concept is based on 'population projections' which are fundamentally flawed for multiple reasons described elsewhere in this report.

The UGB 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 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.
- Market feedback will act against a sustained 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.)

These staged decision points are not always given sufficient weight, which may go some way to explaining past refusals of rezoning applications made by Council Planning Authorities.

Settlement Growth Boundaries 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, along with regular Structure Planning 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.

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.

A.8 Unnecessarily Micro-Managing Rural Communities and Regional Towns

The draft STRLUS appears to proceed on the presumption that regional-level strategy can determine local-level outcomes.

Rural towns do not need Settlement Growth Boundaries. Nor should they be imposed without genuine engagement with the relevant Council Planning Authority.

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.

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.)

A.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.