

Our ref: Productivity Commission Interim Housing Report
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Productivity Commission
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Dear Productivity Commission,

PRODUCTIVITY COMMISSION – HOUSING SUPPLY REGULATION

Thank you for the opportunity to provide comment on the Interim Report for Housing Supply Regulation. The challenge of attaining the new housing target outlined within the National Housing Accord is difficult and requires creative, practicable solutions to succeed.

Glenorchy City Council officers broadly agree with the focus on aligning infrastructure and strategic planning to ensure that new housing can be developed rapidly without delays caused by a lack of coordination or available information relating to constraints on the land or surrounding area. This is an essential part of good strategic planning and requires targeted investment from State and Federal Governments to plan for and deliver essential infrastructure and services to support the development and liveability of new housing.

The focus on regulatory burden and 'red tape' is misplaced however, particularly in the resultant 'reform directions' that would allow for medium density housing with very few exceptions. The proposal to remove minimum lot sizes and/or floor space areas, and the removal or relaxation of solar access and private open space is also misguided. The scrutiny of these regulations is myopic and does not adequately take into account the wellbeing of future residents or the need to achieve positive environmental outcomes through coordinated urban planning and design.

The Interim Report also focuses heavily on the housing contexts of Sydney and Melbourne but indicates that reform directions should apply across the country, with little consideration for the vastly different economic, environmental or spatial context of Hobart or Tasmania more broadly. Regional and less urbanised areas may not have the capacity to support the scale of housing suggested by these reform directions and to advocate for a looser regulatory framework risks widening the gap between housing and infrastructure provision, completely at odds with the intent of this report. Densification that is not selective (i.e. well located and coordinated with services and

infrastructure) means the burden of housing provision will likely remain outside of areas where it is most needed.

Specific comments in response to directions and questions within the Interim Report are provided within the table below.

Thank you again for the opportunity to provide comment on the report.

Appendix A: Detailed feedback comments

	Page	Comment
Interim report - Overview		
Key points: Governments should...show how infrastructure provision will be funded...	2	Agree. A consistent approach to infrastructure contributions across all jurisdictions would reduce compliance overhead for developers.
Reform direction 2.2: Mid-rise (4-9 storeys) vs high-rise (10+ storeys)	7	What comprises mid- versus high-rise is context-dependent and should therefore be locally determined. The reliance on studies in Sydney and Melbourne to justify high density housing for all state, territory and local governments is not well-founded.
Only regulate housing design features where there are clear market failures...	6	How would market failures be identified? Outcomes in unregulated overseas markets may need to be considered. E.g. Hong Kong to crack down on notorious flats, but 'coffin homes' will stay - ABC News
...limiting discretion where possible...	6	This misunderstands the role that discretion plays, at least in the Tasmanian Planning System (TPS). The TPS is set up to provide a discretion-free pathway for most proposals, through quantitative Acceptable Solutions. Discretion comes into play when a proposal is unable (or chooses) not to meet the Acceptable Solutions – that is, discretion allows developers more flexibility to achieve the targeted outcomes. Removing discretion would reduce developer flexibility and mean that specific solutions are mandated instead. Consider the dual pathway structure of the TPS for possible replication or a model for other jurisdictions where discretionary assessments are more common. However, revisions of pathways that allow for permitted/non-discretionary approvals more easily may be supported, though not to the extent indicated by the Commission which fails to account for site-specific and locality constraints.

...controls provide protections...at the same time...heritage protections cover at least 50% of land in 50 suburbs across greater Sydney...	7	Is the report suggesting that heritage values shouldn't be protected? If there is an unacceptable amount of land with heritage protections, what is envisioned as an acceptable number? This is simplistic and doesn't distinguish between levels of heritage protection. It is suggested that heritage adds to the character of many places and makes them desirable to live in; creative solutions should be considered to balance the retention of heritage characteristics with new infill development, rather than these protections only being seen as obstructive. Heritage protections do not preclude new development, they ensure development is compatible.
Reform direction 2.1: allow 3 storeys across most residential land	7	Is it envisaged that 3 storeys inevitably equates to multiple dwellings? Clarification is needed that this will allow for townhouses/multiple dwellings rather than larger single dwellings. Sensitivity to local context and how urbanised an area is as existing should be considered, as applying blanket upzoning controls to semi-urban and regional areas might not be supported by infrastructure and neuter the character of these areas.
Remove or reduce parking requirements...where there is evidence of underused parking spaces and sufficient public transport	8	Agree.
Blanket heritage areas should be replaced by listings for specific buildings or small areas...listings should be justified by cost-benefit analysis	8	Heritage precincts require protection as precincts or their values are undermined. Cost-benefit analysis is ineffective at valuing intangible benefits and is not an appropriate tool. p. 55 of the full interim report suggests that heritage areas protect buildings with limited heritage value. Not the case in Tasmania – the controls support redevelopment of non-contributory buildings, while ensuring new development is sympathetic.
Review and reduce neighbourhood character restrictions...replace by targeted protections	8	Although these types of controls are not used in our jurisdiction, it's unclear how a neighbourhood can be protected piecemeal.
...height restrictions should be modified...avoid [other controls]	9	The first and second dot points seem contradictory. In Tasmania, a recent review of residential standards ¹ recommended moving away

¹ <https://www.stateplanning.tas.gov.au/have-your-say/consultations/state-planning-provisions-amendments/Improving-Residential-Standards>

where the desired outcome can be achieved through height restrictions...		from building envelope/height/setback to plot ratios, although that has not been adopted at this stage.
Remove restrictions on minimum dwelling sizes, minimum balcony sizes and storage requirements for apartments	9	These controls are important in providing a minimum level of liveability. Poor quality of life has significant flow-on impacts to productivity through mental health impacts and entrenching social disadvantage. While outstanding noncompliant examples can be delivered, like the case study on p.30 of the full interim report, there is no clear way to ensure that an appropriate trade-off between size and quality is achieved.
Complete technical studies across suburbs and localities	10	Agree that natural hazard risks should be assessed and managed in a coordinated way across the affected areas rather than requiring each individual development to separately address.
Federal government role	14	While action to mitigate climate change risks (resulting in loss of developable land) is presumably out of scope, perhaps addressing the insurability of housing and the building & construction industry would help underwrite housing delivery.
Information request 2.1 – heritage overlays	16	Heritage areas are generally fully developed and presumably would have limited capacity to deliver substantial new housing supply
Information request 2.1 – alternative dwelling types	16	It would be valuable to cater for tiny homes and for multi-generational housing typologies. It might also be worth investigating the potential to disincentivise excessive per-capita floor areas?
Information request 2.1 – granny flats	16	Small secondary dwellings are already adequately facilitated and in our jurisdiction and are a common form of new housing. However, they undermine the potential financial viability of redevelopment of the land at higher densities.
Information request 2.3 – effectiveness of past zoning and land-use reforms	17	The experience in our jurisdiction is that changing planning controls has little influence on driving land use change. For example, since at least 2015 apartments are allowed in all business zones and, since 2024, specific commercial zoned areas, but there has been minimal or no take-up of these opportunities to date. Emphasis on strategic infrastructure planning and delivery to help remove obstacles in the development process

		would be more beneficial than the implementation of blanket rezoning.
Information request 3.1 – causes of approval delays	18	In many cases delays result from developers submitting incomplete information/inadequate plans. Delays are also frequently due to wait times to access required technical experts such as traffic engineers. For planning scheme amendments like rezonings, a lack of resourcing for the approval body (Tasmanian Planning Commission) results in delays to assessment and determination of applications. What is also a significantly onerous requirement for development applications is the universal (quite short) timeframes, and the penalties associated with not adhering to them. Whilst these may be achievable for more basic, small-scale developments, they are unreasonable for larger or more complex developments. Limited timeframes for decision making can lead to limited interaction/discussion with applicants; with more time for assessment and review there may be less back and forth with information requests and the like. Further, and importantly, is the question being asked why development with permits are not being built?
Information request 3.1 – discretion	18	Discretion provides flexibility for developers to meet the objectives of a standard in an alternative way. Discretion is useful as an alternative to quantitative acceptable solutions.
Information request 3.2 – onerous requirements	18	Requirements for site-specific environmental hazard reports are onerous, for small sites. Holistic assessments from state governments and measures for affected areas would reduce the burden on individual developers. It is noted that the SPPs removed acceptable solutions for finished floor level heights in flood prone areas that were available in the local government developed interim planning schemes – pushing all development in these areas into the discretionary pathway.
Information request 3.2 – subdivision process improvement	18	It should be a requirement for a surveyor to prepare a subdivision application. As the process currently stands, anyone can draw a subdivision plan for an application, and given that the Local

		Government, Building and Miscellaneous Provisions Act has a part to play in whether a lot approved under LUPAA can be created under the Land Titles Act, it is really a level of complexity that goes beyond a lay person to understand and manage efficiently. This marrying of all of the relevant legislation in the application stage ought to be undertaken by a suitably qualified person (surveyor) to avoid complication later in the process.
Information request 3.3 – coordination of approvals process	18	Coordination is more important than the number of approvals. Much of the regulatory burden relates not to the specific controls but to the complexity of navigating multiple approval processes for different aspects of a single development. Regulatory reform without addressing process complexity will not achieve its aims. It would be valuable to have process mapping undertaken in each jurisdiction, to understand the current situation and identify process improvements. Process mapping would need to be undertaken by expert Business Analysts and should identify matters such as: - existing processes and their interactions - linear process dependencies versus opportunities for alignment or concurrent assessment - any redundancies - the full suite of inputs required by applicants - whether it would be feasible to have a single submission of the full suite of inputs, for the various processes to utilise - effectiveness of concierge type services Simplifying, streamlining and stewardship of planning and building <i>processes</i> would likely deliver much greater benefits than ‘relaxing’ <i>controls</i>, without compromising the quality of built outcomes.
Information request 3.4 – tracking the timing and burden of approvals	19	It’s important to differentiate between time taken by planning authorities in assessing applications, and time applications spend on hold while waiting for applicants to supply the required information.

Information request 3.4 – reforms to prioritise	19	In Tasmania, there may be opportunities to: - codify standardised traffic generation rates to reduce reliance on traffic assessments even when meeting the Acceptable Solution C3.5.1 A1.4; - develop (possibly locality-specific) model solutions to form Acceptable Solutions for natural hazard risk mitigation to reduce reliance on discretionary, case-by-case hazard assessments; - develop a suite of controls to manage interfaces between residential and non-residential use, rather than relying on separation of use types; - provide a mechanism (other than a specific area plan requiring a scheme amendment) to implement approved structure plans; - allow for local approval for urban upzoning of land in the ‘future urban’ zone; and - allow for local approval of minor rezonings.
Information request 3.4 – incentivising councils	19	Councils are inherently incentivised to approve applications, as approvals support the growth and development of their communities (as well as rates generation). Barriers to approval might instead reflect matters such as under-resourcing, the presence of important values that need to be protected from overdevelopment, underinvestment by some applicants in preparing applications to a suitable standard, and the availability of experts that applicants rely on to provide the required information.
Information request 3.4 – social and affordable housing	19	One concern about ‘streamlining’ social and affordable housing approvals is the implication of reduced standards. A reduced standard of living is likely to perpetuate cycles of disadvantage and exacerbate the issue over time.
Information request 4.4 – infrastructure planning	20	Support the call for a consistent approach to developer contributions schemes across jurisdictions.
Overall	NA	Regulatory reform is unlikely to result in a substantial increase in housing delivery. The experience in our region is that there are many approved developments that have not been commenced. This points more to other factors such as trade skills supply, materials cost and availability, and potentially finance approvals, which will not be resolved by any reform of the

		planning system. Investing in long term infrastructure delivery and developing an understanding of what services are required early in the development process are likely to be more beneficial than reforms to planning controls.
Overall	NA	The content and recommendations in the Australian Local Government Association's <i>Response: Housing supply regulation</i> submission are supported. In particular, it is reiterated that: <i>"... a "build" mindset must not make housing supply the overriding consideration in every planning decision. Councils have statutory responsibilities for public safety, natural hazards, environmental protection, accessibility, cultural heritage, liveability and infrastructure capacity. These responsibilities are legitimate public-interest functions, not simply regulatory barriers."</i>