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16 November, 2015

**Representation re: Sullivans Cove Planning Scheme 1997 - 2/2015 Amendments - Macquarie Point Site Development: Affordable housing**

Shelter Tasmania is an independent not-for-profit Peak Body funded by the Department of Health and Human Services. We represent homelessness and affordable housing services across Tasmania, and seek to improve access to affordable housing for all Tasmanians.

The Council, in its submission on the Macquarie Point Masterplan, requested that consideration be given to the provision of affordable and social housing being accommodated on the site. The City Planning Committee Agenda 5 October 2015 includes a report to the Council that raises some concerns about affordable housing at Macquarie Point. At this stage, no amendment relating to affordable housing has been passed. As Tasmania's Peak body for Housing and Homelessness services, Shelter Tas makes this representation including expert background about affordable housing in Tasmania, and drawing on our consultations with members and stakeholders including the Environmental Defenders Office. We suggest an amendment that would support the development of affordable housing at Macquarie Point.

Our representation has four parts:

1. *About Affordable Housing*
2. *The value and benefits of affordable housing at Macquarie Point*
3. *Proposed amendment to facilitate affordable housing opportunities*
4. *Summing up: in favour of affordable housing at Macquarie Point*

**1. About Affordable Housing**

Affordable housing is in chronic short supply in Tasmania, with the public housing waiting list at almost 3,000. Housing stress affects a quarter of the State's low income households. For low income households 39% of renters, approximately 7,901 households, are in rental stress, and 47% of home buyers, approximately 5,996 households, are in mortgage stress. (*Tasmania's Affordable Housing Strategy 2015-2016, available at [http://www.dhhs.tas.gov.au/housing/key\\_projects\\_for\\_2014-15/tasmanian\\_affordable\\_housing\\_strategy](http://www.dhhs.tas.gov.au/housing/key_projects_for_2014-15/tasmanian_affordable_housing_strategy).p14)*)

A further shortfall of 4,700 properties is anticipated when the National Disability Insurance Scheme is fully rolled out. There is an urgent and ongoing need to maintain and increase the supply of affordable housing.

Low income households are those in the lower 40% by income. In Tasmania these households earn less than \$760 per week according to the ABS 2011 Census data.

Affordable housing refers to rental homes or home purchases that are affordable to lower income households. To be affordable to these households in the lower 40% the cost of housing needs to be less than 30% of the household income. This widely used measure is known as the 30/40 rule, and is the benchmark for affordable housing in the Tasmanian Government's *Affordable Housing Strategy 2015-2025*. (*Tasmania's Affordable Housing Strategy 2015-2025*, available at [http://www.dhhs.tas.gov.au/housing/key\\_projects\\_for\\_2014-15/tasmanian\\_affordable\\_housing\\_strategy](http://www.dhhs.tas.gov.au/housing/key_projects_for_2014-15/tasmanian_affordable_housing_strategy).)

In general, renters experiencing housing stress are in the private rental market. In contrast, renters in social housing (managed by community housing and public housing providers) pay rent at below 30% of income, so their housing remains affordable. Community housing providers are not-for-profit organisations. They use an income-based model to manage about 4,000 properties in Tasmania and provide specialist tenancy management, including large scale and mixed communities with tenants from all income levels. Housing Tasmania manages about 7,000 properties on an income-based model. Community Housing providers are a key part of Tasmania's housing sector because the private rental market does not supply enough affordable housing.

Many Tasmanians need affordable housing such as secure affordable rental options for lower waged working people whose incomes do not permit home purchasing and who are not well catered for in the private rental market. People on low incomes include part time workers providing essential services in education, health, policing and care professions, as well as apprentices and the like. The Macquarie Point site is an excellent location for affordable homes for key workers, single person accommodation and homes for older Tasmanians.

Local government has an important role in the design of the lived environment, including diverse and affordable housing. Affordable housing is critical infrastructure that supports the achievement of urban renewal, enhanced social inclusion and economic diversification. Appropriate local government planning and strategy can play a key role to ensure the supply of affordable housing.

## **2. The value and benefits of affordable housing at Macquarie Point**

It would clearly be preferable for affordable housing to be addressed through Statewide, regional or municipal planning instruments. However, in the absence of a broader policy, the Macquarie Point development provides an ideal opportunity to showcase an inclusive sustainable community in the State capital, on land managed for the public benefit, and consistent with the Tasmanian government's recent advocacy for affordable housing.

The objectives of the Macquarie Point Development Corporation, set out in the masterplan, include ensuring that the area:

- (i) is redeveloped as a vibrant and active area, with a mix of uses, that connects with and complements adjacent areas within Hobart; and
- (ii) encourages inner-city living; and

- (iii) is redeveloped so as to deliver sustainable social and economic benefits to Hobart; and
- (iv) is redeveloped in accordance with sound planning, urban design and environmental principles

As advice to the Council previously noted, the Macquarie Point Development Corporation is also subject to an objective requiring that it will make a profit from carrying out its functions. However, this objective is to be achieved “to the extent practicable”, and should be read in conjunction with the other obligations. We believe that encouraging inner-city living and delivering sustainable social benefits are paramount objectives and any direct profit motivation is secondary to delivering these broader benefits of social inclusion and vibrant, diverse communities.

A key sustainable social benefit to Hobart would be delivering residential options for Tasmanians from all walks of life including lower income Tasmanians. A component of affordable housing would align with the shared vision expressed in the Macquarie Point Master Plan: *"a vibrant, liveable and sustainable place that optimises economic, social, environmental and aesthetic outcomes, complements its surrounds, enhances connectivity and offers a range of opportunities to live, work, invest and play."*

The stable and vibrant social environment envisaged for Macquarie Point is suitable for people with a range of incomes. The focus on retail, tourism and hospitality employment would align perfectly with residential opportunities for some of these workers. Residents in affordable housing at Macquarie Point could include key workers, lower wage workers from sectors such as retail and hospitality, those working part time, retirees, older Tasmanians working reduced hours and people with disabilities.

Low income does not mean high needs. Provision can be made to manage tenancies to enhance the social environment. Community Housing providers in Tasmania have demonstrated expertise in this kind of mixed housing. Successful examples in the Hobart area include Brisbane St, Queens Walk, Goulburn and Campbell Streets. The Melville St Complex for the University of Tasmania will include units for low income students. The Merchant development at Docklands in Melbourne demonstrates the successful outcomes of a partnership development that includes affordable housing. Tasmania’s Community Housing Organisations have a proven track record in developing and managing affordable housing. Housing Choices, Community Housing Limited, Centacare Evolve Housing and Mission Australia already manage over 4,000 properties in Tasmania. Shelter’s discussions with these organisations indicate strong support for participating in the development of affordable residential stock at Macquarie Point.

### ***3. Proposed amendment***

A proposal to include affordable housing requirements in the Macquarie Point amendments was recently deferred for further consideration by the City Planning Committee. However, we urge Hobart City Council to reconsider including the amendments set out in Attachment 1 in the current tranche of amendments to the *Sullivans Cove Planning Scheme 1997*. The amendments are not a mandatory imposition on developers, but will enable Council to impose conditions to facilitate the creation of affordable housing opportunities at Macquarie Point. Dealing with these amendments at this stage will ensure that affordable housing considerations and discussions with potential community sector participants are integrated into the early stages of planning for the site.

For the reasons set out above and below, we believe that the amendments we are proposing are consistent with:

- The obligation to further the objectives of Schedule 1 of the *Land Use Planning and Approvals Act 1993*
- The objectives of the master plan (reflecting the objectives of the Macquarie Point Development Corporation)
- *Tasmanian Affordable Housing Strategy 2015-2025*
- *Southern Tasmania Regional Land Use Strategy 2010-2035*
- Various Hobart City Council policy documents

### **LUPAA objectives**

S.20 of the *Land Use Planning and Approvals Act 1993* requires planning schemes to seek to further the objectives in Schedule 1 of that Act. Part 2 of that Schedule includes the following objectives that offer support for affordable housing:

- To require land use and development planning and policy to be easily integrated with environmental, social, economic, conservation and resource management policies at State, regional and municipal levels (2(d))
- To secure a pleasant, efficient and safe working, living and recreational environment for all Tasmanians and visitors to Tasmania (2(f))

We note that this objective is being amended by the Legislative Council to become

- (f) To promote the health and wellbeing of all Tasmanians and visitors to Tasmania by ensuring a pleasant, efficient and safe environment for working, living and recreation.

This amended version will strengthen the support for affordable housing, as housing is fundamental to health and wellbeing.

### ***Tasmanian Affordable Housing Strategy 2015-2025***

Affordable Housing at Macquarie Point aligns with the State Government's commitment, outlined in the *Tasmanian Affordable Housing Strategy 2015-2025*, to support affordable housing. The *Strategy* states that "State and local government can release well located land for residential development ensuring a proportion of developments are affordable to low and moderate income earners" (p 19).

Amendments to facilitate Hobart City Council requiring suitable large residential developments within the Mixed Use area to include an affordable housing component would go some way to achieving this in an area very well suited to that outcome.

### ***Southern Tasmania Regional Land Use Strategy 2010-2035***

The STRLUS includes "increase the supply of affordable housing" as a strategic goal (SRD2.10). SD 8, "Supporting Strong and Healthy Communities", also recognises the role of affordable housing in social inclusion:

“The complex relationship between the built environment, land use, delivery of community and social infrastructure, improving quality of life and providing for a more socially inclusive society is increasingly recognised. While much of the population are able to enjoy our advantages and assets, there are still some community sectors facing social and locational disadvantage. Ensuring opportunities for affordable housing in locations which have good access to community services and education and health facilities is not the only consideration: Promoting a less car dependent environment, integrating land use and social infrastructure planning, creating opportunities to improve the long term health of the community through better urban design, as well as providing equal opportunity to access high quality open spaces and recreational facilities, are also important.”

### ***Council policies***

There is additional support for Affordable Housing at Macquarie Point in Hobart City Council’s policy and strategic documents:

- Hobart City Council’s website includes a document ‘How Council Responds to Affordable Housing’ (downloaded 30 October 2015) which states “Support where possible for affordable housing initiatives”
- Affordable housing at Macquarie Point aligns with HCC’s Social Inclusion Strategy 2014-2019, especially Domain Action Plan: Affordable Living (p8)
- The provision of Affordable Housing is referenced and included in the City of Hobart’s Draft Capital City Strategic Plan 2015-2025, namely:
  - Goal 2 – Urban Management**  
2.3 City and regional planning ensures quality design, meets community needs and maintains residential amenity
  - Goal 4 – Strong, Safe and Healthy Communities**  
The Council’s role will also focus on creating an environment that allows for the correct supply of and demand for affordable housing

This is further defined in action 4.3.7, which is to implement a housing and homelessness Framework.

- Hobart City Council is also currently working on a Housing and Homelessness Policy that we hope will provide explicit support and direction for affordable housing across the municipality.

It is our view that amendments empowering Council to make provision for affordable housing as a condition of approval of large residential developments in the Macquarie Point site would be consistent with the strategic direction expressed by local and State governments on this issue.

We urge Council to reconsider its position on including such amendments in the *Sullivans Cove Planning Scheme 1997*.

#### **4. Summing up : in favour of affordable housing at Macquarie Point**

Including affordable housing in the residential development at Macquarie Point ensures that all members of the Tasmanian community will have a chance to benefit from the development of this public asset. It is reasonable for there to be retention of public benefit within the process of public land being made available for private development. In this case, the public good is the inclusion of residential development that helps support the housing needs of a wide range of people in the community. In addition, this would help meet the goals of the Tasmanian Government's *Affordable Housing Strategy 2015-2025*, which estimates that 27 percent of all new dwellings will need to be affordable to meet the long term supply needs for affordable housing (p12).

Optimising social outcomes, which is a direct goal of the Master Plan needs to include provision for affordable housing. Otherwise, the likely outcome is that the entire residential development at Macquarie Point will be out of reach to most Tasmanians. Securing a proportion of this mixed use development for lower income Tasmanians could be achieved by an incentive such as a density trade-off for the private development sector. The Macquarie Point newsletter of November 2015 describes it as a "Once in a lifetime development opportunity, Macquarie Point has the capacity to significantly shape Hobart's future." This future will continue to require diverse affordable housing options.

The amendments we propose do not mandate particular outcomes. Instead, they seek to provide the Council with the option to implement its stated objectives and promote affordable housing in a development that should be setting the example for all future site planning. An initiative that encourages affordable housing is fair to all stakeholders, including the wider community. Provision for affordable housing could be consistently applied to major developments on public land. A future looking rather than backwards looking comparison is entirely appropriate for a 'landmark' development.

Shelter's discussions with our members, including Better Housing *Futures* providers Housing Choices, Mission Australia Housing, Centacare Evolve Housing and Community Housing Limited indicate strong support for affordable housing in the residential development at Macquarie Point. Community Housing Providers are willing and able to work with other stakeholders, including private developers, to deliver affordable housing.

We acknowledge a potential concern that allowing some lower income Tasmanians to share in this development could detract from the overall amenity or degrade the investment viability for the private sector. To alleviate this concern, we emphasise that a stable and vibrant social environment can include people with a range of incomes. In a development like Macquarie Point, residential options for key workers and retail and hospitality employees would be of benefit to the significant retail, tourism and hospitality offered within the Master Plan. The efficiency of the urban economy is enhanced when workers live close to their employment.

We urge the Council to ensure that the *Sullivans Cove Planning Scheme* promotes development at Macquarie Point that is in the public interest and long term interest of all Tasmanians by enabling Hobart residents of all income levels to share in the residential component at Macquarie Point.

Please find below a schedule of proposed amendments for your consideration.

Shelter Tas is happy to provide any further information if that would assist your consideration.

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## PROPOSED AMENDMENTS

1. Amend the final paragraph of Part B, Clause 6.4: *Creating a Place for People* as follows:

*The Cove will continue to be promoted as a place for living - a wide range of accommodation choices, from permanent residences to short term tourist accommodation and affordable housing opportunities, will be encouraged within and around the Cove.*

2. Amend clause 7.3.6: *People in the Cove* by inserting the following additional point:

- The provision of affordable housing is encouraged as part of new residential use and development at Macquarie Point

3. Amend clause 9.2, *Application Requirements*, by inserting the following additional application requirement under “Supplementary”:

- For residential use and development in the Macquarie Point Mixed Use Zone involving 10 or more residential units – an affordable housing plan

4. Amend proposed clause 32.2.5 by inserting the following definitions:

*Affordable Housing* means housing that is managed to ensure it is affordable to its residents who are drawn from the lower income 40% of Tasmanians, and who are paying no more than 30% of their income in rent or mortgage payments. Affordable housing may be owned and operated privately, by government, charitable organisations or community housing providers.

*Affordable Housing Plan* means a plan, submitted with an application for residential use or development, detailing the following:

- The extent, if any, of Affordable Housing to be provided as part of the proposed use or development
- The terms of any agreement with a community housing organisation to provide and manage Affordable Housing as part of the proposed use or development
- The extent of existing Affordable Housing within the Mixed Use zone
- If no Affordable Housing is proposed to be provided as part of the proposed use or development, reasons why the site is not suitable for Affordable Housing

5. Amend proposed clause 32.3, *Desired Future Character Statements*, by inserting an additional 32.3.12:

*Encourage provision of residential dwellings designed to meet the needs of a range of households, including those seeking affordable housing (as defined in clause 32.2.5)*

6. Amend proposed clause 32.4, *Matters to be Considered*, by inserting the following additional point

- Availability of affordable housing within the Cove

We consider that these amendments would allow Council to consider, as part of its assessment of applications for new developments proposing more than 10 residential units, whether it is appropriate to require that some of the units be set aside for Affordable Housing. In situations where this was considered appropriate, Council could require a Part 5 agreement to give effect to an affordable housing requirement.