

## Submission - Cradle Coast Authority

### Tasmanian Housing Strategy Discussion Paper

The Cradle Coast Authority congratulates the Government for their work on developing a comprehensive Tasmanian Housing Strategy. We are thankful for this opportunity to make a submission on the Tasmanian Housing Strategy Discussion Paper. From discussions with our Member Councils, and research undertaken by the Cradle Coast Authority, we have identified several issues that uniquely affect the Cradle Coast, which we feel need to be directly addressed in the Strategy to create effective place based solutions for this region.

As with Tasmania as a whole, the Cradle Coast region is experiencing challenges with housing supply. However, many of the key causal factors in the Cradle Coast Region are different than those in other parts of the state. While the Discussion Paper discusses issues that apply to the entire state, using state-wide averages for issues such as population growth loses the divergent trends that are emerging in our region. The Cradle Coast Authority wishes to ensure that the appropriate stressors are addressed specifically in the Housing Strategy for this region. Priority issues for the region include:

- 1) While the Discussion Paper refers to “affordable housing” and “safe, secure affordable housing”, the emphasis needs to be on “decent affordable housing”. While simple housing stress calculations may show less Cradle Coast residents are experiencing “housing stress” due to cheaper rent, rates and mortgage, residents living in “affordable” but poor-quality housing spend more on essential living expenses such as electricity and heating. Basic expenses such as transport costs and food are further inflated by inaccessibility. It can be extremely unaffordable to live comfortably in an “affordable” dwelling. Focusing on housing stress, defined by considering only mortgage payments, rates and rental costs, completely overlooks the financial stress experienced by low-income residents living in poor-quality housing that may have insufficient heating, inadequate weather proofing, inefficient appliances, and unhealthy air quality due to damp or mold. It also overlooks the needs people have to access social, educational, occupational and healthcare opportunities that are essential if they are to thrive. Although it may address one aspect of inequity, affordable but poorly located housing reinforces other aspects of inequity and consigns people to diminished lives.
- 2) Short term accommodation is not a considerably detrimental factor in the Cradle Coast's housing market. There is almost 250 less “entire home/ apartment” Airbnb listings across the entire Cradle Coast region than what there is in just the City of Hobart LGA<sup>1</sup>. Councils in the region feel they already have adequate levers available to them to deal with short term accommodation if it were to become a significant issue. The short-term accommodation industry has also been recognised as beneficial in some areas, where investors have upgraded poor quality dwellings to a high standard, improving the standard of housing in the area.
- 3) Although the level of home ownership in the region is high, a cursory review of sold house listings on *realestate.com.au* in some parts of the Cradle Coast reveals that dwellings that change hands for very low prices are not of an adequate condition (lack of heating, poorly maintained, damaged, not weatherproof) to meet the minimum standards in Tasmania for

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<sup>1</sup> <http://insideairbnb.com/tasmania>

rental properties. Such properties would require significant expenditure to meet the state's minimum rental standards. If these properties are not being upgraded upon changing hands, they are either becoming or remaining vacant, or being lived in by new owners, providing a very low standard of living. Home ownership does not necessarily mean homeowners enjoy an adequate standard of living.

- 4) There is concern in some areas that "cheap" housing is attracting people from other parts of the state where housing costs have increased beyond the financial capacity of people on low incomes. This may be leading to a rise in people on low incomes living in unhealthy conditions in poor-quality housing, which will be exacerbated when residents also have pre-existing medical conditions. There is some anecdotal evidence to support this. For example, in the West Coast LGA, where some very cheap but very poor-quality housing is available, from 2016 to 2021, Census data<sup>2</sup> shows that the proportion of people up to the age of 19 "needing help in their day-to-day lives due to disability" has increased from 3% to 7%, while in the City of Hobart LGA, the proportion has remained stable at around 2% over that period. This may indicate that young families with unwell children are moving into poor-quality housing in the area to avoid homelessness in other parts of the state.
- 5) The Discussion Paper states that "demand for housing is driven by population growth and demographic changes". This does not fully reflect observations in areas in the Cradle Coast Region where the housing stock is overrepresented by decades-old, cheaply built houses that were built for workers by industry, which have transferred into private ownership and have not been upgraded over time. From 2016 to 2021, the number of unoccupied dwellings in Circular Head, West Coast, Kentish and King Island increased. Yet all of these regions have experienced rapidly rising rental and house prices and have near zero rental and market vacancy rates. It is likely that some dwellings are becoming unoccupied as the cost of repair to market expectations and legal requirements is beyond the capacity, or not financially feasible, for the owners.
- 6) We note that it is presently much less expensive to build new dwellings on greenfield sites on the periphery of our towns and cities. We are concerned that an unchallenged emphasis on housing numbers (although much needed) with little emphasis on their location or integration into their host communities will increase pressure to expand our urban settlements. By creating pressure for more urban sprawl this risks the erosion of natural values and the loss of valuable agricultural land. We are further concerned that down the track this may present us with a false dichotomy where we are faced with meeting either our housing or our environmental and food security goals.
- 7) Poorly located new social and affordable housing will exacerbate challenges in townships where poor-quality, privately-owned housing is already in place in central parts of communities. In some communities, poorly maintained and sometimes vacant dwellings dominate locations close to shops, schools and services. Building new dwellings at the periphery of a community's existing footprint will not benefit the occupants of either type of housing. The occupants of the newer housing will need to travel further to access necessities, while market incentives to upgrade poor housing will be even further reduced, contributing to the further entrenchment of urban blight in central areas.
- 8) Where new peripheral development is required there is a need to consider the stigma that these places might attract which can add to the discrimination faced by people living there. We further note that wherever social housing is suggested community resistance often represents one of the most stubborn barriers; either nimbysism (not in my backyard) or

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<sup>2</sup> <https://profile.id.com.au/tasmania/assistance?BMID=20&WebID=370>

bananaism (build absolutely nothing anywhere near anyone). These concerns often reflect concerns about the design of the development or the people who will live there and sometimes both. We further note that there are many initiatives that have been successful in integrating social housing seamlessly into a community<sup>3</sup> and a greater reliance on these sensitive hearts and minds approaches bares greater social dividends than steam rolling them through.

- 9) The lack of quality available housing, as well as the lack of dwellings, is damaging employers' ability to house workforces locally. In some cases, employers are taking to bussing or flying workers from outside the area of the worksite. As this practice becomes further embedded, the livability, diversity and sustainability of local townships will be further eroded. For example, while 1600 people worked in the mining industry in the West Coast Council LGA in 2018<sup>4</sup>, 40% of those people lived outside the West Coast LGA. These numbers are likely to be significantly higher now with new operations recently commencing. 90% of people working in the mining industry in Tasmania work full time, and 65% earned more than \$1500 per week in 2016. Workers in the mining industry in the West Coast LGA can afford housing in higher price brackets, however there is clearly a mismatch between the quality of housing they seek and the housing that is available, causing workers to live elsewhere and travel long distances to work. In some cases this lack of appropriate housing is causing an absolute brake on local development. For example, it has been reported that King Island restaurants have been unable to attract elite chefs because there is nowhere on the island available that meets their housing expectations, despite their interest and the desire of these restaurants to employ such staff.
- 10) While Tasmania's population grew by 50,000 people (9.7%) from 2016 to 2021, the Cradle Coast region's population grew by just 8000 people, or 7.3%<sup>5</sup>. However, from 2011 to 2016, Tasmania grew by 6000 people while the Cradle Coast lost 3000 people. Over the past 10 years, the Cradle Coast's population has grown by only 4.4%, and reduced year on year from 2011 to 2016. It was only in 2018 that the region's population was restored to its 2011 level. In contrast, the state grew by 11% over the ten years, growing every year. The Cradle Coast has not benefitted from efforts to increase the state's workforce in the way that other parts of the state have. Older age groups have been growing the faster in the Cradle Coast compared to the rest of the state, while workforce age groups have been growing more slowly<sup>6</sup>. While the Cradle Coast's workforce needs have been growing, workers are increasingly being sourced from other areas without relocating into the region.
- 11) The most sustainable housing is brownfields housing that already exists using existing infrastructure, not new greenfield housing requiring new infrastructure. The Cradle Coast Region would like to see solutions to raise the standard of well-located existing housing to enable it to provide good livability to modern households. All communities deserve to have housing which is attractive, comfortable, and efficient.
- 12) Our boom-and-bust economy can stress communities and housing markets. At times of boom sudden influxes massively increase demand in many regional locations which can price out locals. The disruption and dislocation this brings can be very distressing. At times of bust communities can be left with a legacy of abandoned properties and a collapsed

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<sup>3</sup> South Melbourne Commons, Planning News, September 2015

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[https://www.skills.tas.gov.au/\\_\\_data/assets/word\\_doc/0007/216178/Tasmanian\\_Mining\\_Industry\\_Workforce\\_Profile\\_and\\_Emerging\\_Challenges\\_final.docx](https://www.skills.tas.gov.au/__data/assets/word_doc/0007/216178/Tasmanian_Mining_Industry_Workforce_Profile_and_Emerging_Challenges_final.docx)

<sup>5</sup> <https://profile.id.com.au/tasmania/population-estimate?WebID=410>

<sup>6</sup> <https://profile.id.com.au/tasmania/service-age-groups?WebID=410>

market. Consequently, the strategy should seek to ensure housing supply can be more responsive to these peaks and troughs and leave a better environmental and social legacy.

13) Consequently, the Cradle Coast Region's Councils would like to see solutions in the Housing Strategy that:

- Enable the upgrading, or when necessary, replacement, of well located existing housing and conversion of other uses such as vacant spaces over shops. Poor quality, currently privately owned, centrally located dwellings are a challenge to livability and appeal for many Cradle Coast communities. Upgrading existing housing stock in central areas will deliver more quality housing per dollar than building new housing in surrounding areas, as well as deliver better outcomes for the entire community.
- Introduce an infrastructure levy to change the economic context within which housing development occurs. This will internalize externalities which are currently distorting the market and assist in making infill development more competitive.
- Diversify the housing stock and housing market through promotional and administrative changes to support urban infill, HMO, living over the shop housing, amongst others. This will help release some of the bottlenecks in the housing market and allow it to work more efficiently. This in turn will help meet social housing objectives as less housing will be locked up housing people who are only there for want of a more appropriate alternative.
- Ensure that new developments were required will showcase sustainable design techniques such as Water Sensitive Urban Design/Sustainable Urban Drainage Systems and the provision of high amenity greenways for active transport, etc. This will help raise the bar for development generally, add prestige to these developments and thus the people who live there.
- Sensitively addresses host community concerns through programmatic and design choices to minimize concerns and ensure the social housing is responsive to the character and identity of its surroundings.
- Addresses the particular circumstances of our boom-and-bust economy and explores standards for the provision of decent temporary housing or other types of non-standard housing.

The Cradle Coast Authority thanks the Tasmanian Government for considering our submission in response to the Tasmanian Housing Strategy Discussion Paper, and we look forward to participating in the process as the Housing Strategy is developed. We would be pleased to answer any inquiries about our submission.

Yours sincerely



Sheree Vertigan AM

**Chief Executive Officer**