Whilst Australia may be enjoying a booming economy, it is clear that the benefits are not flowing evenly across society. This is nowhere more clearly demonstrated than in the difficulties being experienced by increasing proportion of the community in accessing affordable housing.

In the debate about housing affordability across Australia, many claims have been made about Local Government’s role in the crisis, relating in particular to developer charges and other fees, land supply and the exercise of planning and other statutory functions. At the recent Minister’s Forum on Housing Affordability, many of these issues were raised.

In making a submission to the Legislative Council enquiry into housing affordability, the Local Government Association of Tasmania (LGAT) argued that, of the many factors that have brought about or exacerbated the current situation, those over which Local Government has control or influence, have had a very marginal impact on affordability, particularly in the Tasmanian context. Addressing the housing affordability crisis will only be achieved by strong action on macro economic policy at the national level, a role that must be assumed by the Australian Government, working closely with State and Territory Governments.

As Tasmanian councils are very aware, the role of Local Government has expanded considerably over recent years. Historically, Local Government provided property-based services. Since the 1960s, however, councils have increasingly provided a range of regulatory and human services. Some of these new roles, functions and powers have occurred as a result of policy choices of Local Government or individual councils, often as a result of increased community expectations. However, many have been as a result of devolution and prescription through legislation and regulations by other spheres of government, or filling gaps left by other spheres of government.

In relation to housing, councils have a role to play in facilitating the provision of housing by others, primarily through the provision of infrastructure and the exercise of planning and building functions. However, particularly since the release of the Fair Share report, Local Government has become wary of assuming additional roles.

Paying for Infrastructure

Infrastructure, such as roads, footpaths, parks and other public facilities is now an expectation of the community. Not only is there increased demand for infrastructure but also increased expectations in terms of standards and environmental outcomes. The current review of the provision of water and sewerage services provides a good case in point.

In recent times the practice of imposing developer charges has become more prevalent across councils, particularly in urban and high growth areas where there is an increased infrastructure requirement. This is not a profiteering exercise by councils. Charging upfront is considered a much more open and accountable way of charging for infrastructure. Without developer contributions there is a risk, as has happened in the past, of large housing estates lacking the necessary infrastructure to make them socially viable and cohesive. This leads to infrastructure demands that are more difficult to put in place and to finance after the event of original development. It is also important to point out that developer contributions, as part of the overall development cost and subsequent selling price of land, is generally relatively small across Tasmanian councils and cannot be equated with the level of charges elsewhere in Australia.

Following the sustainability studies conducted across Australia in recent years, there is clear evidence that Local Government does not have a sufficient revenue base to maintain or meet increasing community demand for human services and, at the same time, adequately maintain and replace its traditional forms of infrastructure. While there is recognition at state and national level of the challenges facing Local Government, there is an expectation that increasing own-source revenues by councils will be part of the solution eg. the application of developer charges.
However, in the affordability debate, councils have been strongly criticised for the imposition of developer charges for infrastructure, when previously the funding of urban infrastructure was debt financed by State and Local Government and paid for by the broader community. It is not surprising that Local Government feels confused!

Making the planning system work better

There have been some quite extraordinary claims made in relation to delays with planning approval and the consequential impact on costs. There will always be anecdotal examples of approval processes that have not gone smoothly and caused frustration to the applicant. Similarly, councils could cite many examples where the delay is not of the council’s making, such as the need to follow up with the applicant where there is inadequate or incomplete information. Statistical information available suggests that Tasmanian councils perform well against statutory timeframes.

There is a general lack of understanding about how the planning system works, in particular the rights of third parties. Where a development is unusual or potentially challenging to the community, the importance of early consultation with the council and community cannot be stressed enough. One of the specific projects being developed under the auspices of the Tripartite Partnership on Ageing is an education package for developers about the planning system. This might well be a template for other kinds of developments.

Making the planning system work better is a high priority. In its response to Better Planning Outcomes, LGAT listed the following key themes as being of central importance to Local Government:

- Continuation of the current role and integrity of councils as local planning authorities.
- The development of an effective State Policy framework with input from Local Government to ensure its relevance at a local level - LGAT supports the development of a suite of simple and effective state policies to underpin the integrity of the planning system, supported by adequate resources and implementation tools to assist councils.
- The development of an integrated state/regional/local planning framework that includes comprehensive planning strategies to guide the preparation and review of planning schemes and investment in infrastructure.
- Adequate resourcing for both State and Local Government to provide an effective and professional planning regulatory function, particularly the preparation and review of planning schemes. The nationwide shortage of planners makes this particularly challenging.

LGAT strongly supports a number of projects being undertaken under the auspices of Better Planning Outcomes, in particular, the regional planning exercise being undertaken in the North-West. As well as providing an overall framework for development in the region, it will also achieve a consistent set of planning schemes. In broad terms, improvement in the effectiveness of the planning system should have an impact on housing affordability. More specifically, a State Policy on housing affordability that looks at matters as lot sizes, lot density and requirements on developers to provide housing choice, including low-cost housing, has the potential to assist councils as they work with their communities in this area. However, it should be stressed that a State Policy will not to be the panacea to the affordability crisis.

LGAT looks forward to continuing to work with the State Government, the building and development industry and the community, to find solutions for Tasmanians.

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