

16 March 2023

Tasmania's Population Strategy Team
Department of State Growth

Via email: consultation@stategrowth.tas.gov.au

Dear Sir/Madam

Refreshing Tasmania's Population Strategy Consultation Paper

Thank you for the opportunity to provide a submission on the *Refreshing Tasmania's Population Strategy Consultation Paper*. This submission has been prepared by the Local Government Association of Tasmania (LGAT) on behalf of our members, all 29 local councils in Tasmania.

LGAT is incorporated under the *Local Government Act 1993* and is the representative body and advocate for local government in Tasmania. Where a council has made a direct submission to this process, any omission of specific comments made by that council in this submission should not be viewed as lack of support by LGAT for that specific issue.

We commend the Government on revisiting this strategy in light of the new data evidencing the scale of unanticipated growth we have experienced since 2016. Our submission highlights the need for greater collaboration with local government, including in the development of key tools to manage this growth.

If you have any questions or would like further information, please do not hesitate to contact me at dion.lester@lgat.tas.gov.au or by phone on (03) 6146 3740.

Yours sincerely



Dion Lester
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LGAT Submission: *Refreshing Tasmania's Population Strategy*

Context – an unanticipated growth task

Local government welcomes the release of the consultation paper on Refreshing Tasmania's Population Strategy. This is an important opportunity to review our population changes and trends since the 2015 Population Growth Strategy and assess our readiness for growth.

In the 2015 Strategy, it self-described the population target of 650,000 by 2050 as “bold and ambitious”. Indeed, at the time, that population target was only possible under the highest projections. Instead, we have seen that the actual growth rate has been double the target rate. In the five years from 2016 to 2021, Tasmania has grown by the size of two Devonport-sized cities and is expected to add another three over the next decade.

Only recently has the Department of Treasury and Finance (Treasury) adjusted its projections to account for this. However, even the highest of those updated projections had a growth rate slower than the population growth Tasmania saw from 2016-2021. Under these projections we would see Tasmania reaching its 650,000 population goal a full decade earlier, by 2040, under the high series.

Adding to this, in January this year, the Australian Government Centre for Population released its own 2022 Population Statement with projections for Tasmania predicting that we will reach our 2050 target of 650,000 in 2032-33, in less than a decade, some 17-18 years faster than Treasury's projections.

The unprecedented population increase has come with significant challenges. The signs of growth pressures on local communities have been intensifying: housing shortages, traffic congestion, accommodation and cost of living pressures. This growth has put intense strain on virtually all aspects of local government. Tasmanian councils do almost all the strategic land use planning for our state, assess and decide upon all development applications. They deliver transport networks, water quality and quantity management networks, parks and open space. They provide community facilities, and deliver liveable communities and local wellbeing outcomes. This makes our councils the major managers of growth in Tasmania.

The state needs an understanding of the set of growth management tools at our disposal, whether they are up to the task and what else may be needed. We know that councils do not have all the growth management tools they need for Tasmania's success. Many of the tools that councils do have, are significantly outdated, rudimentary, inefficient, or not up to either contemporary standards or the scale of the growth we are facing. Councils are eager to work collaboratively with the Tasmanian Government to

ensure we have fit for purpose growth management tools to convert growing pains into community success stories.

Our sector has been calling on the Tasmanian Government to work with it, as a tier of government, on the state's systems such as planning, infrastructure and development regulation. Through working together, we can create quality urban environments that will continue to support our enviable lifestyle. This means communities with the infrastructure to support them, providing safe and secure living, efficient transport, clean rivers and beaches, and quality parks and recreation areas for every to enjoy.

An effective population strategy will need to connect effectively to local government. This collaboration will need to consider what impacts the future population growth and declines will have across different local government areas. Working together will support the strategy's goal of long-term sustainable population growth and help to prepare, plan for and manage future population trends, issues and opportunities.

Better growth management

For several years now, LGAT has been acting on councils' experiences of growth pressures by advocating for specific growth management actions, including:

- Urgently filling the critical strategic gap in Tasmania's planning framework¹.
- Calling for the development of a best practice infrastructure charging framework.
- State Budget commitments to support the proper management of the growth task².

These items begin to build a picture of the growth management steps we need to take to accommodate the growth we are experiencing. We need a growth management strategy and action plan that features the following, listed in priority order:

1. **Preparing communities for growth and change** – growth means change, but we are repeatedly seeing the signs of change resistance and development conservatism, making it difficult to take the important steps we need to accommodate growth. The Tasmanian Government and councils can support each other and their communities in navigating this challenge.
2. **Better infrastructure contributions to unlock development** – compared with other states, our infrastructure contributions systems are rudimentary and not fit for purpose, creating uncertainty and inequity for the development industry. This holds up development as financing infrastructure delivery for development needs to be negotiated and resolved again and again. Other states have worked

¹ LGAT's planning advocacy: <https://www.lgat.tas.gov.au/lgat-advocacy/planning>

² LGAT State Budget 2022-23 Priority Statement:

https://www.lgat.tas.gov.au/_data/assets/pdf_file/0023/1083128/LGAT-State-Budget-Priority-2022-23.pdf

on, and improved, their systems to help remove the barriers to planned development. Tasmania needs to embark on the same journey.

3. **Accelerate the planning reforms through to completion** – our planning system is missing critical strategic components to allow us to confidently plan for and support growth. Work has started but lags well behind the needs on the ground. The reform work needs better resourcing to accelerate through to completion.

All of these actions align with recommendations of the Department of State Growth's *Toward Infill Housing Development Report*³, but only item three has begun to be actioned. We know that councils want growth but need to be enabled to properly support it. These actions begin to enable councils manage growth.

Prepare communities for growth and change

Development conservatism, such as NIMBYism and community resistance to change, is one of our greatest challenges to our ability to respond to growth pressures.

For many years Tasmania developed slowly in a low-growth environment. This has left us with both low-growth settings throughout our development systems and, most influentially, a culture that is resistant to change. This is completely understandable. However, our context is now high growth, posing a particular challenge to both our policy settings and our community attitudes toward change.

Community-level resistance to change makes critically needed development responses to population growth challenging for any organisation to implement but is particularly difficult for councils that were explicitly elected to represent the views of their communities. Councillors are naturally sensitive to community action; that is core to their role. Tasmanian councils have overwhelmingly wanted appropriate growth for a very long time and now it is here in unprecedented pace and scale. So, when a development is rejected by a council, isn't because the council doesn't want the growth or the opportunities it represents. It's almost invariably because the change that the development represents has triggered a defensive reaction in the community that elected them. We need to address the community level and support the council.

The Tasmanian Government needs to lead a healthy, honest and positive conversation with communities to allow us to design the growth we want and then properly cater for, and take advantage of, the growth we are experiencing. We must acknowledge the scale of growth and engage the community in shaping the solutions via a formal community communication program on these issues.

³ The report is available on the DSG website:

https://www.stategrowth.tas.gov.au/policies_and_strategies/populationstrategy

The Tasmanian Government's *Toward Infill Housing Development Report* recommended a remarkably similar community communication program. This needs to be acted upon without delay. We must help our communities see the scale of the growth task and help them engage constructively in planning for the future.

Better infrastructure contributions to unlock development

One of the most important tools in growth management is infrastructure contributions (also called developer charges, headworks charges). So important, that in every other state and territory of Australia they are enshrined in local government planning legislation. However, the states with a longer history of growth challenges have repeatedly worked on their infrastructure contributions systems and supporting frameworks over the years, improving them to achieve best practice and deliver better development results on the ground.

There have been no substantial changes in Tasmania to the way that growth infrastructure is funded for at least 30 years. What tools we have are clunky, unclear, inequitable, and hinder the effective delivery of infrastructure to support development and is only able to address limited problems. Without a substantial overhaul, infrastructure financing and delivery will continue to hinder the achievement of our development objectives.

This is why the Tasmanian Government's *Toward Infill Housing Development Report* makes a specific recommendation to review Tasmania's infrastructure charging framework. It recognises that a good charging system can activate planned development by properly supporting coordinated and effective infrastructure delivery. This recommendation has not been actioned from three and a half years ago. This must be addressed immediately.

We have completed a significant review of infrastructure contributions systems of other Australian states. Our Infrastructure Contributions Discussion Paper (available on our website⁴) provides 10 recommendations, aligning with and significantly advancing the Infill Housing Report, on how to properly overhaul our contributions framework to support fit for purpose infrastructure planning and delivery to unlock development. We would be happy to brief your team on our findings.

Accelerate the planning reforms through to completion

Work has begun on the Phase 2 planning reforms, and local government overwhelmingly supports the Tasmanian Government's effort in this area, both the Tasmanian Planning Policies (TPPs) and the Regional Land Use Strategies (RLUSs). These may be the most

⁴ Infrastructure Contributions Discussion Paper:
https://www.lgat.tas.gov.au/_data/assets/pdf_file/0030/1139691/LGAT-Infrastructure-Contributions-Discussion-Paper-11-April-2022.pdf

important planning reforms of Tasmania’s history, as they begin to address for the first time the longstanding and problematic strategic, state-level gaps in Tasmania’s planning framework. These gaps have led to opacity, uncertainty and delay in the system, making it harder for development proponents to navigate the system, to achieve their business goals, and for councils to achieve their communities’ development goals.

The historical lack of state-level policy and strategy has resulted in councils bearing the full brunt of public criticism on development problems. This is despite their efforts to appropriately manage development pressures and create Tasmania’s future communities. This has also meant that councils have not had the strategic backing from the Tasmanian Government in delivering positive, constructive development outcomes for Tasmanians. This is not a healthy situation.

Resolving this will add clarity and certainty for communities and proponents alike and give councils the strategic level backing to make positive growth management decisions for their communities.

With the unprecedented population growth Tasmania has experienced since 2016, and the growth management task this represents, the strategic reforms of the planning system cannot come soon enough for councils. Therefore, we recommend that the Tasmanian Government investigate ways to accelerate the delivery of these reforms. As a start, we strongly recommend better resourcing of the State Planning Office and local government to assist in rapidly delivering these reforms.

Understanding and planning for future growth

We have pointed out how unanticipated the level of population growth has been from 2016-2021, at double the rate of what was a “bold and ambitious” population target. That discrepancy must be understood. Whether we are preparing to accommodate this growth, or planning to replicate the streak we have had, we need to understand the underlying factors driving this population increase.

For example, if this growth is related to the low price of housing relative to mainland incomes, then we could expect it to decline sharply if housing demand continues to outstrip supply and house prices continue to escalate. If much of the growth is caused by climate migration, then we can expect growth to continue as long as climate concerns continue, which could be a very long time. Understanding the nature of this growth allows us to plan better for it in the future.

Without evidence we are forced to speculate, but we suspect that the growth may be driven by the following factors, possibly in the following order:

1. **Housing security** – the perceived achievability of home ownership, not merely temporary renting, in Tasmania.

2. **Lifestyle** – the lower density and regional character of the Tasmanian lifestyle. There may be a family-friendly perception to this that may encourage people to raise families here.
3. **Climate change refuge** – the relative future safety of Tasmania under future climate change.
4. **Wilderness access or environmental image** – related to lifestyle, but the specific environmental branding of Tasmania may be a significant influence to migrate.
5. **Visa fulfilment** – temporary migration to Tasmania to fulfil visa requirements in a regional area, before migrating further to a major city.

Population growth can erode and threaten many of these attracting factors. This demonstrates the importance of having our growth management strategy and tools in place, to ensure we can maintain the values we enjoy and that attract people to migrate to Tasmania.

Conversely, we likely have factors influencing people to emigrate from Tasmania and competing with the attractors. These may include:

1. Lower healthcare and education system performance than other competing mainland states.
2. Inadequate housing options and security.
3. Insufficient income earning opportunities to realise lifestyle goals, especially given housing security challenges.
4. Insufficient social or urban lifestyle opportunities compared with mainland major cities.
5. Lower infrastructure standards, or service levels, relative to competing areas of other states.

We speculate on these factors again, only to highlight the importance of building a detailed understanding of the driving factors so that we may influence and plan for future growth.

Tasmania clearly offers a unique draw, and with the increase in people working remotely post-COVID, is well placed to focus on migration to the state. However, many regional areas face challenges with attracting and retaining long-term national and international migrants due to the limited secure housing, education and cultural and social opportunities. All levels of government need to work together to ensure secure services are available in regional areas.

Across Tasmania, councils provide medical and childcare services as well as housing to meet the needs of the local community. These are not core services for local

government. Yet in regional areas where no other service provider is attracted to the region the councils play the key role in filling a void in service provision. The recent announcements by the Tasmanian Government in the employment arrangements for general practitioners and incentives for allied health workers is an example of the three tiers of government working together.

A shared interest in working together

Local government and the Tasmanian Government have a shared interest in properly managing the growth we are experiencing and achieving the best results out of further future population changes. This provides an opportunity for collaboration and mutual support in growth management.

To support the implementation of a population strategy, our sector needs to be supported with the fit-for-purpose tools they need to properly manage growth. We also need to understand the likely factors driving this growth to understand how long it might continue for, and how to deal with it. We need to understand why people are migrating, recognise the challenges faced in moving to rural areas over urban areas and opportunities to create culturally safe communities for migrants, supporting the objectives of the Population Strategy.

Effective consultation, led by the State Government, needs to occur with councils on the significance of this recent growth and the updated population projections, creating a coordinated approach to understanding the true needs and impacts of the growth and the updated projections on our sector.

Conclusion

We believe the review process provides the opportunity to get Tasmania ready for growth. For the Tasmanian Government, this means:

- Engaging with our sector effectively to understand the growth management needs of local government.
- Preparing communities for growth and change through an effective Government-led communication program that addresses development conservatism.
- Developing a comprehensive infrastructure contributions system to be the cornerstone of responsible growth management.
- Filling the strategic gap in the planning system by completing the Tasmanian Planning Policies and Regional Land Use Strategies as soon as feasible.

We urge the Government to lift the level of engagement and collaboration with local government to ensure impacts are understood and the best outcome is developed.