

Visitor Accommodation amendments to the Hobart LPS

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Glossary

Abbreviation	Definition
CBA	Cost benefit analysis
LGA	Local Government Area
LUPA Act	<i>Land Use Planning and Approvals Act 1993</i>
LPS	Local Provisions Schedule
SAP	specific area plan
SPPs	State Planning Provisions
STRLUS	Southern Tasmania Regional Land Use Strategy
TPC	Tasmanian Planning Commission
TPP	Tasmanian Planning Policies
TPS	Tasmanian Planning Scheme
TVS	Tasmania Visitor Survey

Executive summary

The City of Hobart has before it a draft amendment to the Hobart Local Provisions Schedule (LPS) that seeks to restrict the use of whole dwellings for Visitor Accommodation within the Inner Residential, General Residential and Low Density Residential Zones. The amendment is progressed through the introduction of a new Specific Area Plan (SAP) that substitutes the existing Visitor Accommodation use standards that apply to those zones under the State Planning Provisions. This is an amendment which responds to the unique and local conditions present in the Hobart Local Government Area and should not be used to justify any broader planning policy position.

Before the draft amendment can be certified in accordance with section 40F of the *Land Use Planning and Approvals Act 1993*, Council, as the Planning Authority, must be satisfied that the amendment meets the LPS criteria set out in section 34 of the Act. This report provides an evaluation of the draft amendment against the statutory requirements of the LUPA Act and the relevant planning policy framework.

The draft amendment does not apply to the use of part of a person's primary residence or a secondary residence for Visitor Accommodation, which will continue to be allowable under existing exemptions in the State Planning Provisions. It also allows Visitor Accommodation where it arises as part of new development in residential zones, provided that there is the same number of Visitor Accommodation units as Residential dwellings and there is no net loss in the number of existing dwellings on a site, should they exist. The amendment does not affect the status of Visitor Accommodation in any other zones within the City of Hobart local government area, nor does it alter existing locally specific provisions applying to Battery Point.

The primary purpose of the draft amendment is to limit the impact of whole-dwelling Visitor Accommodation on the availability and affordability of housing for long-term residents within the City of Hobart. The amendment responds to the particular and locally specific conditions present in the municipality, including a constrained rental market, very low vacancy rates and strong demand for short stay accommodation in well-located residential areas close to central Hobart. It is not intended to establish or justify a broader policy position for visitor accommodation management beyond the Hobart LGA.

This report is informed by extensive background analysis, including data on housing and rental markets, tourism trends, existing visitor accommodation supply and planning approvals. Supporting technical evidence prepared by Professor Peter Phibbs and SGS Economics and Planning has been relied upon to understand the impacts of short stay accommodation on rental housing supply, affordability and broader urban outcomes.

The evidence demonstrates that since the introduction of the current Visitor Accommodation provisions in 2017, there has been a material increase in the conversion of long-term rental dwellings to short stay accommodation within residential zones of the Hobart LGA. In the context of an already tight rental market, even relatively small losses of rental stock have had a disproportionate effect on affordability and availability, particularly in inner urban areas that are strategically important for meeting housing needs and supporting a compact, accessible settlement pattern.

The cost-benefit analysis undertaken by SGS Economics and Planning concludes that, on a per-dwelling basis, restricting further conversion of dwellings to short stay visitor accommodation in residential zones

delivers a clear net community benefit. Using discounted cash flow analysis over an assumed 40-year economic life, the analysis identifies a Net Present Value of approximately \$298,500 per dwelling and a Benefit–Cost Ratio of 2.11:1, indicating that for every dollar of cost incurred, more than two dollars of benefit accrue to the community as a whole. Sensitivity testing demonstrates that these results are robust under a wide range of assumptions.

Having regard to the evidence and the statutory framework, the assessment concludes that the draft amendment has a sound and reasonable planning basis. It is consistent with the objectives of the Resource Management and Planning System, aligns with relevant State policies, regional strategies and emerging Tasmanian Planning Policies, and supports the City of Hobart’s strategic objectives for housing, liveability and balanced growth. On this basis, the draft amendment is considered to satisfy the LPS criteria and to warrant certification and progression through the planning scheme amendment process.

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1 Introduction

1.1 Purpose of this report

The City of Hobart has before it a draft amendment to the Hobart LPS that seeks to prohibit the use of whole dwelling visitor accommodation in residential areas that are zoned Inner Residential, General Residential and Low Density Residential.

Before the draft amendment can be certified in accordance with section 40F of the *Land Use Planning and Approvals Act 1993* (the LUPA Act), Council as the Planning Authority must be satisfied that the draft amendment meets the LPS criteria.

Era Advisory has been engaged to undertake this assessment against the LPS, according to the requirements outlined in section 34 of the LUPA Act. The assessment is contained in this report.

The draft amendment does not impact apply to the use of part of a person's primary residence or a secondary residence for Visitor Accommodation. These will continue to be allowable uses. The draft amendment also allows for new Visitor Accommodation where it arises due to a new development: this is to encourage the redevelopment of underutilised sites. The draft amendment also does not impact the status of a Visitor Accommodation use in all other zones within the City of Hobart Local Government Area (LGA). A detailed analysis of the proposed amendment is contained in section 2 of this report.

The primary purpose of the proposed amendment is to limit the impact of Visitor Accommodation use on the availability and affordability of housing for long-term residents in the City of Hobart. It is important to state upfront that the proposed amendment and this report, do not seek to put a case for how visitor accommodation use is managed anywhere other than in residential zones in the City of Hobart. This is an amendment which responds to the unique and local conditions present in the LGA and should not be used to justify any broader policy position.

The assessment of the proposed amendment against the legislative criteria is contained at section 0 of the report. The conclusions of the assessment are in section 5.

1.2 The planning scheme

The relevant planning scheme is the *Tasmanian Planning Scheme – Hobart*.

The Tasmanian Planning Scheme (TPS) comprises two components: the State Planning Provisions (SPPs) and the Local Planning Provisions. Local Planning Provisions are required to be contained in the Local Provisions Schedule (LPS) for each LGA.

The TPS comes into effect when the respective LPS is approved and brought into effect by the Tasmanian Planning Commission (TPC). The Hobart LPS came into effect on 22 October 2025.

1.3 Summary of draft amendment

The draft amendment is to insert a new specific area plan (SAP) into the Hobart LPS. The proposed SAP is available separately.

The SAP will be applied by way of overlay and seeks to substitute the existing Visitor Accommodation use standards in the residential zones that are used in the City of Hobart which arise from the State Planning Provisions (see Figure 2 for the spatial extent of the SAP overlay and residential zones). These use standards are:

- General Residential Zone – Clause 8.3.2 Visitor Accommodation
- Inner Residential Zone – Clause 9.3.2 Visitor Accommodation
- Low Density Residential Zone – Clause 10.3.2 Visitor Accommodation.

The SAP use standard seeks limit the approval of Visitor Accommodation to limited circumstances through an acceptable solution with no performance criteria. A detailed outline of the draft amendment is provided at section 3.1

It is important to note that the draft amendment does not affect existing Visitor Accommodation exemptions at Clause 4.1.6 of the SPPs. There is no mechanism for Council to substitute or modify exemptions in the SPPs.

The draft amendment does not affect the status of Visitor Accommodation in any other zones, like the Commercial Zone, Local Business Zone, General Business Zone, Central Business Zone and Urban Mixed Use Zone.

1.4 Planning scheme amendment process

The LUPA Act allows Council as a Planning Authority to prepare draft amendments to an LPS of its own motion in accordance with section 40D(b) of the Act. Draft amendments to the LPS must be in a form prescribed by the SPPs.

Once Council has certified the draft amendment in accordance with section 40F, the planning scheme amendment process (see Figure 1) in broad terms is as follows:

- Notices to specific agencies and authorities are prepared and a copy of the draft amendment is provided to the TPC.
- The draft amendment is placed on public exhibition for a period of 28 days, during which time any persons or bodies may make a representation in relation to the draft amendment.
- Once the public exhibition period is completed, a report on the merits of each representation will be prepared and provided to Council for its consideration. The report will consider whether the draft amendment should be modified to take into account any representation and whether it is still considered that the draft amendment meets the LPS criteria.
- Council is required to consider the report and make an appropriate resolution, before then providing the draft amendment and the report on representations, along with copies of the representations to the TPC. At this point the TPC's assessment begins and the draft amendment is now in its jurisdiction.
- The TPC will then appoint an assessment panel to which its powers are delegated and who will assess and determine the draft amendment. If representations were received during the public exhibition period, the TPC must hold public hearings.
- Representatives of Council will be present during the public hearings, through which there is likely to be an opportunity for additional information or further evidence from any representations to be provided as well as any responses by Council to that further evidence. It is intended that Council will have legal representation at the public hearings to advocate for its position.
- Once the public hearings are completed, the assessment panel will finalise its report and decision.

Some steps in the planning scheme amendment process have statutory timeframes, including 90 days for the TPC to complete its assessment; however, there is no overall timeframe. Given the likely interest in

this application and based on previous experience, it is likely that the assessment of this amendment will take many months to complete.

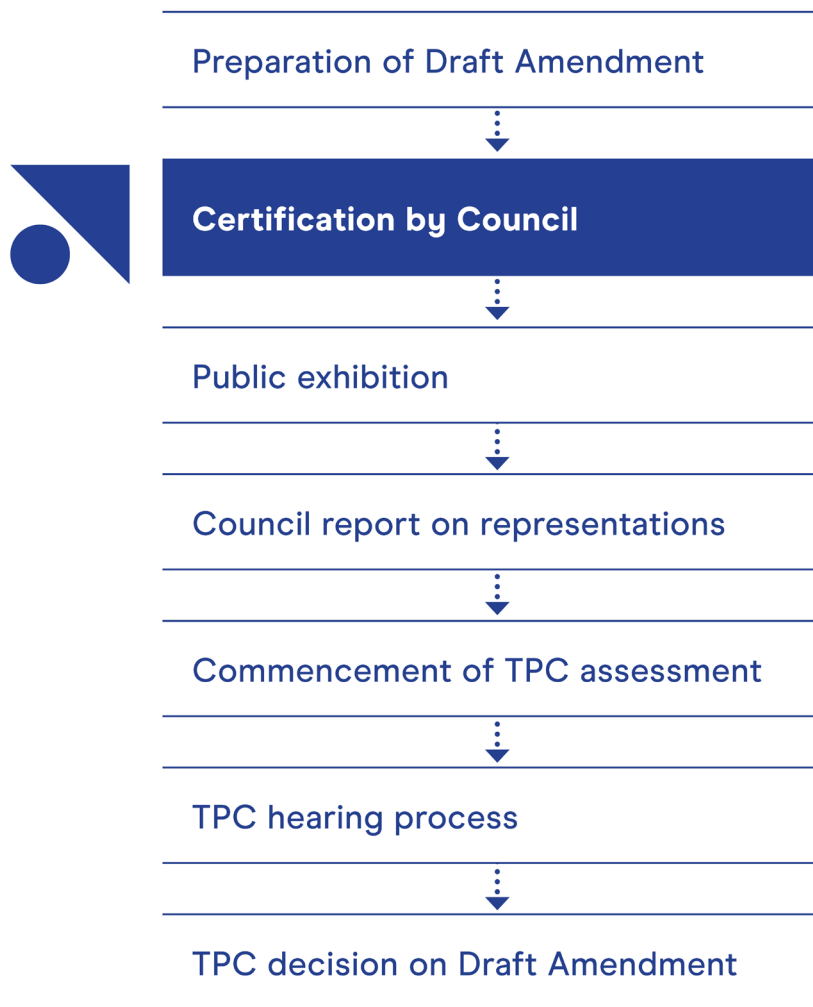


Figure 1 Graphic representation of the planning scheme amendment process. This report is intended to lead to certification by Council of the Draft Amendment

1.5 Supporting documentation

Supporting documentation for the draft amendment has been prepared by Professor Peter Phibbs and SGS Economics and Planning. This supporting documentation is considered in both section 2 and 0 of this report, but is available separately and in full.

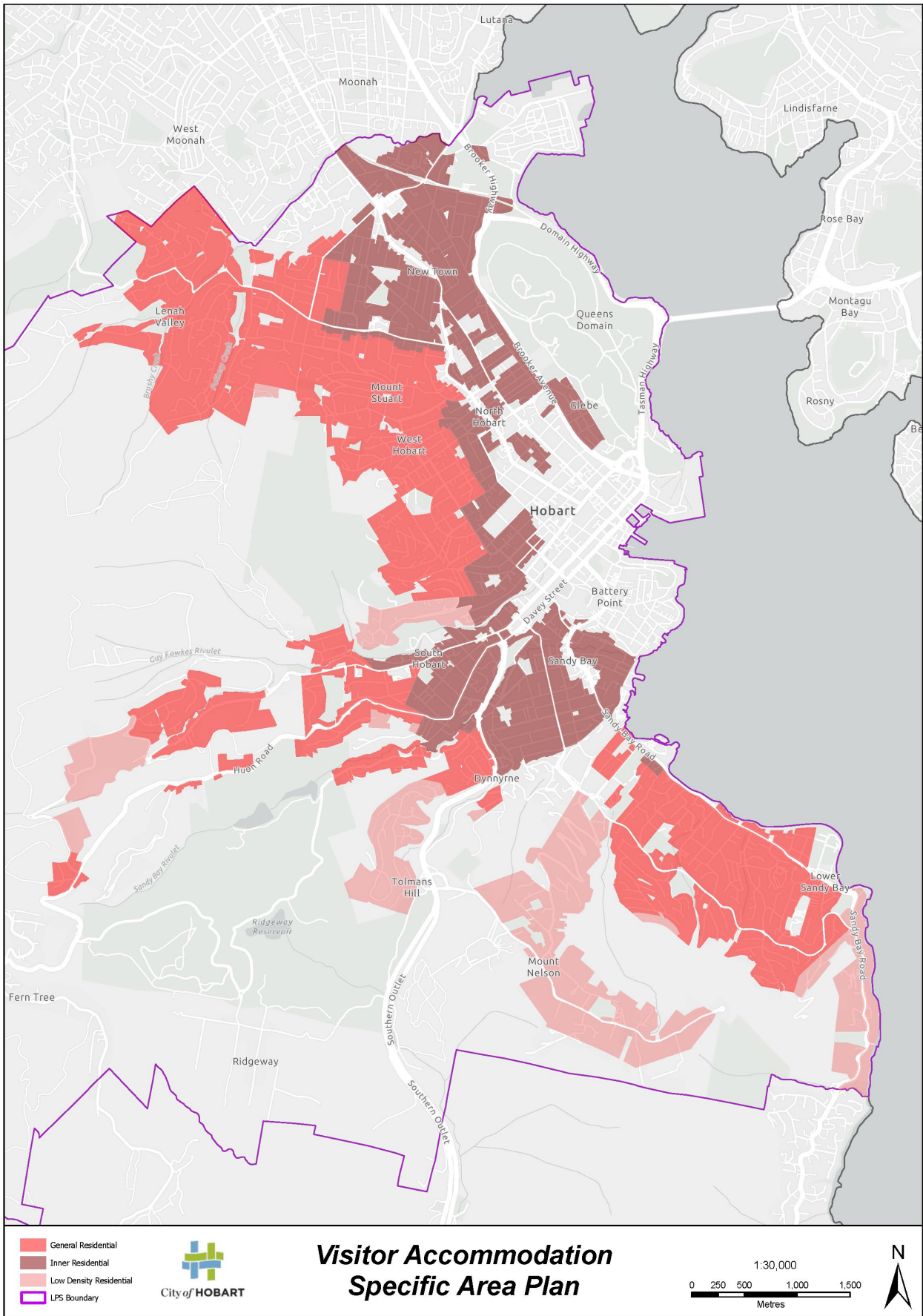


Figure 2 Specific area plan overlay area and residential zones to which the SAP will apply

2 Background

2.1 Background to the State Planning Provisions

In mid-2017, the then Minister for Planning and Local Government, the Hon Peter Gutwein, directed the Tasmanian Planning Scheme to undertake an assessment of draft Planning Directive No. 6 – Exemption and Standards for Visitor Accommodation in Planning Schemes. At the same time, the Minister issued those standards as Interim Planning Directive No. 2, bringing the standards into effect on 1 July 2017.

At that time, the new statewide standards for Visitor Accommodation applied to all Interim Planning Schemes as well as the *Flinders Planning Scheme 2000* and *Sullivans Cove Planning Scheme 1997*. The new provisions included:

- exempting Visitor Accommodation in a dwelling subject to not more than 4 bedrooms being used while the owner/occupier is present or when the dwelling is used as the owner/occupiers main place of residence and is let while they are temporarily absent
- giving Visitor Accommodation a permitted status in the General Residential Zone, Inner Residential Zone, Low Density Residential Zone, Rural Living Zone, Environmental Living Zone and Village Zone.¹
- applying a Use Standard to Visitor Accommodation in those zones. The use standard limited the permitted pathway to existing buildings or where the gross floor area was less than 300m², with corresponding performance criteria (discretionary pathway).

As required by the LUPA Act at that time, the draft Planning Directive was subject to an assessment by the TPC including provision for public exhibition and public hearings prior to it being made in its final form by the Minister of Planning, even though the new standards were already in effect through being given interim status.

The public exhibition period occurred in August and October 2017, and hearings were held in November 2017. The TPC issued its report on the new standards in May 2018 and the final Planning Directive No. 6 was issued on 1 July 2018 replacing the Interim Planning Directive.

The TPC in its report made a number of findings and recommendations that resulted in some changes to the standards. These were:

- Modification to the draft standard to reduce the scope of what could be approved through a permitted pathway to an existing habitable building where the gross floor area was less than 200m². Performance criteria were added relating to noise impacts and retaining the primary residential function of an area.
- Inclusion of an additional standard to address the impact of Visitor Accommodation use in strata schemes occupied by permanent residents.

¹ Interim Planning Schemes were based on Planning Directive No. 1 which established a common structure for planning schemes.

- Exclusion of the Battery Point Heritage Area (BP1) from application of the Planning Directive (meaning the underlying provisions of the *Hobart Interim Planning Scheme 2015* remained relevant). Those provisions prohibited Visitor Accommodation in the BP1 precinct where it displaces a residential use except for a bed and breakfast establishment. In addition, the previous Battery Point Planning Scheme 1979 had prohibited Visitor Accommodation in all zones except for Mixed Use.
- Modification to the provisions as they would take effect in Sullivans Cove and Flinders planning areas to fit into the planning scheme operational provisions and structure of those schemes.

The TPC also recommended in its report that:

- The Local Government Division in the Department of Premier and Cabinet monitor the number of dwellings where a residential use is permanently displaced.
- The Department of Justice (then responsible for the State Planning Office) review data to determine the contribution the Planning Directive has on rental housing stock.
- The Department of Justice provide advice on:
 - the desirability of including an amendment to the SPPs to include provisions to facilitate the availability of affordable housing in the SPPs and the LPSs of municipalities
 - development of planning policy designed to facilitate housing affordability through the application of provisions in planning schemes
 - preparation of revised provisions, either in the form of a modified draft Planning Directive or modifications to the SPPs, based on the outcome of its review and any planning policy for housing affordability.

No public information is available about whether these recommendations were adopted and, if so, whether any progress has been made against them.

The final Planning Directive provisions were incorporated in the SPPs.

2.2 Strategic planning context

The strategic planning context for the Hobart LGA as a municipal area is predominantly set out in the Southern Tasmania Regional Land Use Strategy (STRLUS) which is a statutory document within the planning system. Strategic planning outcomes for the Hobart LGA are also expressed in the Greater Hobart Plan and for specific areas in locally specific structure or neighbourhood plans, like the Central Hobart Plan and the North Hobart Neighbourhood Plan.

These documents create a strategic planning framework that specifically aim at delivering compact growth, transport efficiency, economic productivity, infrastructure efficiency and inclusive communities

The inner and surrounding suburbs of central Hobart are identified as critical locations for meeting the region's housing needs, particularly for low- and moderate-income households. The STRLUS emphasises the importance of protecting and efficiently using well-located residential land within existing urban areas, rather than displacing housing demand to the urban fringe. These areas benefit from established infrastructure, access to employment, education, health services and public transport, and play a central role in achieving a compact and sustainable settlement pattern. Maintaining affordable housing opportunities in suburbs close to central Hobart is therefore integral to reducing locational disadvantage, limiting car dependency and avoiding the higher social and infrastructure costs associated with outward expansion of the city.

The 30-Year Greater Hobart Plan reinforces this position by identifying central Hobart and its surrounding suburbs as the primary focus for infill development and housing consolidation. The Plan promotes a compact city model where housing, jobs and services are closely aligned, recognising that affordability is not only a function of dwelling cost but also of household access to employment, transport and essential

services. Locating affordable rental housing near major employment centres reduces transport costs, improves workforce participation and supports broader economic productivity. The Plan also highlights the importance of housing diversity in these locations to ensure that households at different life stages and income levels can continue to live close to the city's social and economic core.

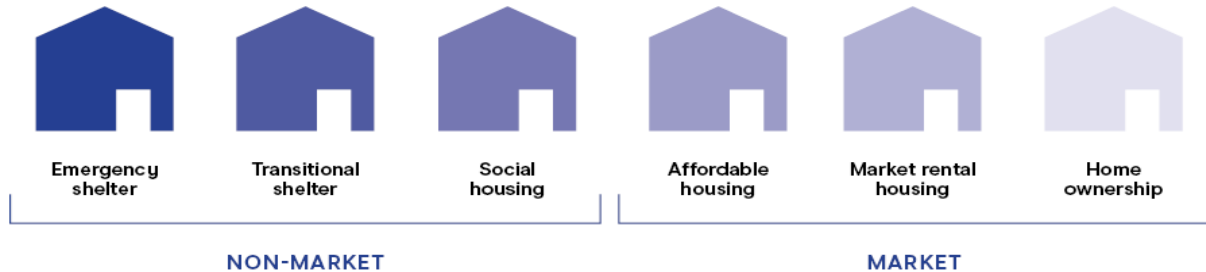
2.3 The housing market

Access to adequate housing is a basic human right. The housing needs of a community are met when housing supply aligns with actual requirements rather than perceived demand. This not only requires consideration of dwelling type and size, but affordability, tenure and location. As evident in public debates across Australia on the current 'housing crisis', provision of housing is one of the most significant public issues of our time, affecting millions of people across the country.

With soaring property prices, a shortage of affordable housing, and a growing number of people experiencing homelessness, the crisis is having a profound impact on individuals, families and communities. The current state of the housing market is not only an economic burden but is imposing a social and human cost, as people struggle to find a place to call home.

The lack of suitable housing is affecting all aspects of the housing continuum (see Figure 3). Housing supply challenges across the private market spectrum are pushing pressure onto other parts of the system. The breadth of the challenge is characterised by growing homelessness and social housing wait lists, along with growing rental and mortgage stress.

The significance of the current housing crisis is recognised in the National Housing Accord, in the range of policy solutions (including planning reforms) being considered by state and territory governments, and by its prominence at the Commonwealth level.



Adapted from Link Wentworth

Figure 3 Graphic representation of the housing continuum

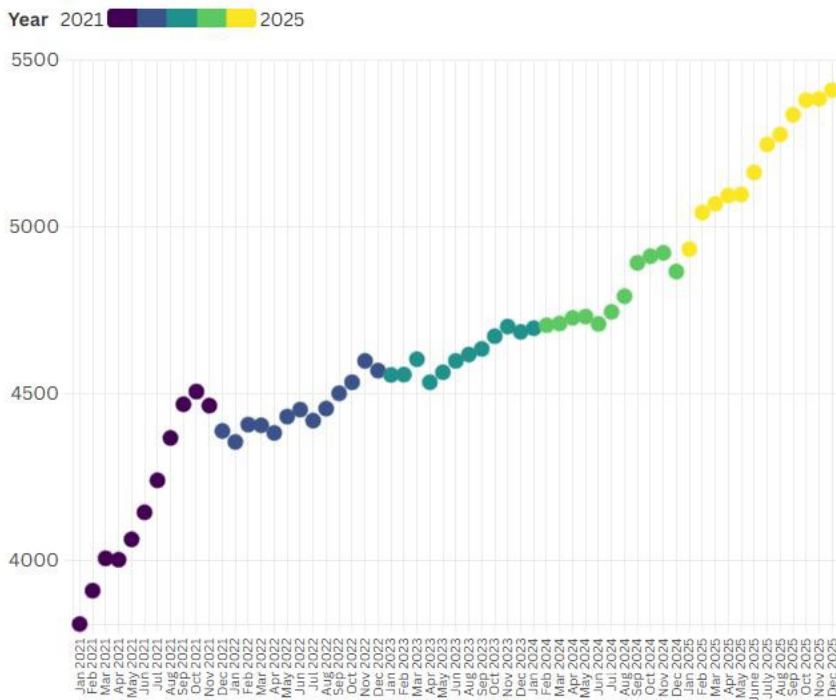
There is a significant amount of research available across Australia on the current housing crisis, the impact on Australians and potential solutions. It is not necessary for the purposes of this planning scheme amendment to delve significantly into this research, the nature of the national 'housing crisis' or all the factors influencing the adequacy of housing supply. It is, however, important to note some relevant context.

- Public and policy debates often focus narrowly on single levers, oversimplifying the causes of the housing problem and the solution. The reality is that many different actions or changes are required that may impact all of the housing continuum or just one part of it.²
- Fixing housing issues cannot just be resolved through planning systems, and within those systems there is no one solution. However, planning systems have an important role in facilitating the delivery of well-located homes through integrated land use and infrastructure planning and ensuring that regulation is well aligned with key policy priorities.
- It is an accepted, best practice planning principle that well-located homes equates to housing that meets household needs, is affordable and supports high levels of accessibility to services and jobs. Well-planned and dense housing near jobs and services increases productivity, wages and innovation.³
- Hobart LGA is not only geographically at the centre of Greater Hobart but is the economic and social centre for the capital city. Opportunities to ensure diverse households can access housing in the Hobart LGA is important not only to reduce locational disadvantage but also to strengthen community wellbeing and cohesion and improve long-term outcomes for residents. This is an indisputable planning concept that is embedded in policy and strategy work undertaken not only at the Council, but Greater Hobart, regional and statewide level.
- Failures at the market end of the housing continuum move households further along the continuum, creating further reliance on public and community housing. Difficulty buying a house because of affordability issues pushes more households into relying on private rentals, but with increasing affordability issues for private rentals (see section 2.4), this pushes more people into social and community housing to provide a roof over their head. Tasmania currently has over 5,300 applicants on the social housing wait list and an average wait time of over 84 weeks.⁴ Any additional pressure on social and community housing is unlikely to be sustainable in the current environment.

² Planning Institute of Australia, Planning for Productivity: Submission prepared for the Australian Government's Economic Reform Roundtable, 2025.

³ Relevant research includes: the report "Agglomeration effects and housing market dynamics" released by the Australian Housing and Urban Research Institute in 2021; the report of the Australian Productivity Commission in 2017 "Shifting the dial: 5-year Productivity Inquiry report" and the 2023 report of the NSW Productivity Commission "Building more homes where infrastructure costs less".

⁴ Based on Tasmania's State of Housing Dashboard, TasCOSS, 18 February 2026.



Source: [Homes Tasmania Dashboard, December 2025](#)

Figure 4 Number of applicants for social housing (Source: TasCoss, February 2026)

2.4 Rental housing

Rental housing provides housing for households who are either unable or unwilling to move into home ownership. It can also provide a temporary solution for households who are moving into home ownership or relocating. In Australia, economic settings at the national level are strongly geared to home ownership and there is a recognised long-term under-supply of social and community housing. Therefore, rental housing is currently critical for households who cannot afford to move into home ownership or do not strictly qualify for social or community housing, but nonetheless are under economic stress.

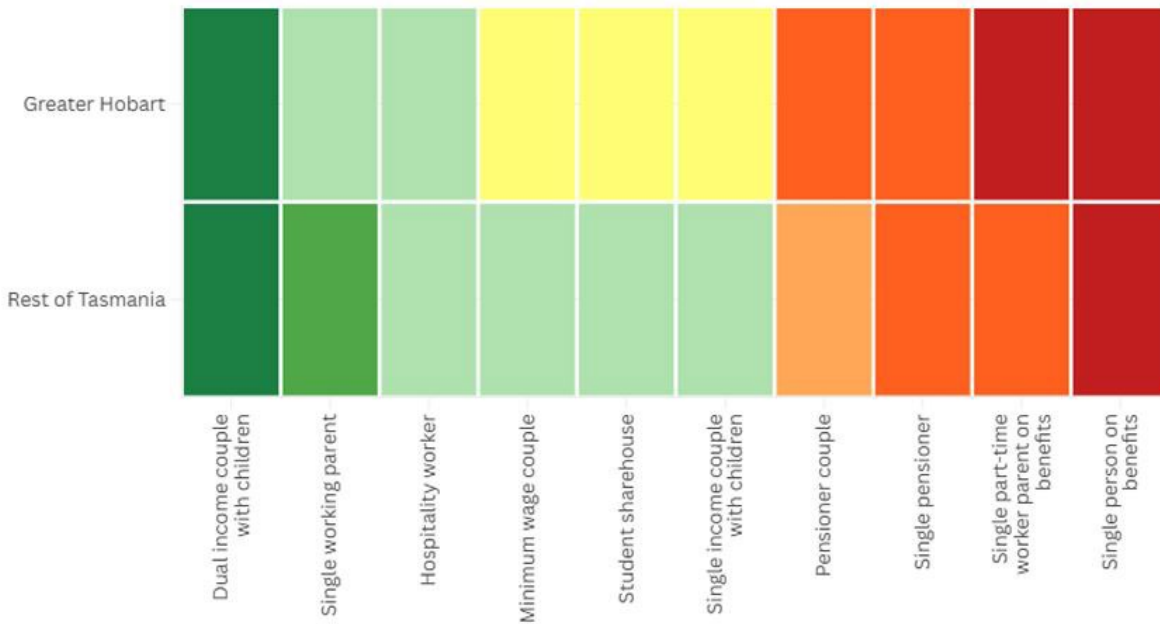
The cost of rental housing arises from a relatively simple correlation of supply v. demand as outlined in the report prepared by Professor Peter Phibbs for this planning scheme amendment and available separately. Its affordability will depend on household incomes. However, as outlined in the yearly Rental Affordability Index report prepared by SGS Economics and Planning with its partners National Shelter and Housing All Australians, affordability of the rental market in Greater Hobart has been in decline since 2015 and is now considered ‘extremely unaffordable’ given median incomes. SGS in the 2025 report⁵ identifies insufficient rental supply as a key factor and that that a major factor in the affordability problem is lower income capacity in meeting constrained supply relative to other capital cities.

In the latest State of Housing dashboard, TasCOSS, using the SGS Rental Affordability Index from 2025, has also mapped current rental affordability for low-income households in Tasmania as shown in Figure 5.

⁵ <https://sgsep.com.au/projects/rental-affordability-index>

Rental affordability for low-income households in Tasmania

Very affordable Affordable Acceptable Moderately unaffordable Unaffordable Severely unaffordable Extremely unaffordable



Source: SGS Rental Affordability Index 2025

Figure 5 Rental affordability for low-income households in Tasmania (Source: TasCOSS)

More specifically to the Hobart LGA, a snapshot of median weekly rents across the last 15 years is shown in Figure 6, while more detail on the last 10 years is shown in Table 1.

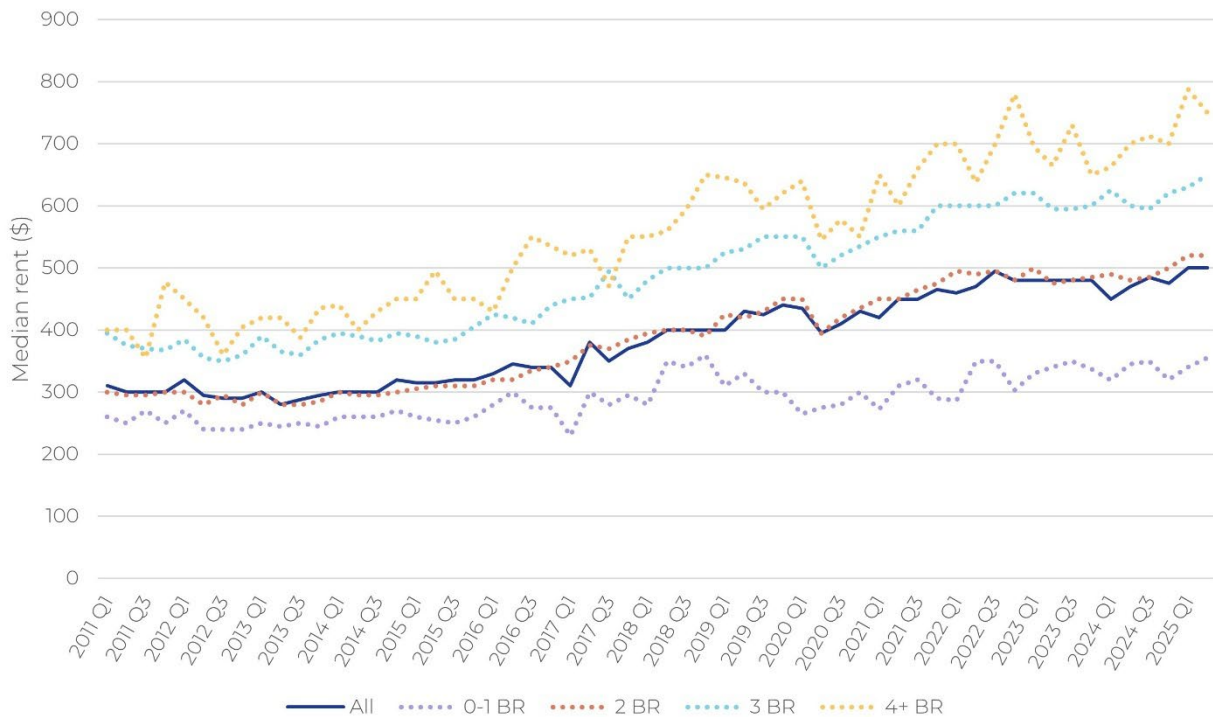


Figure 6 Median rents in the Hobart LGA (postcodes 7000, 7004, 7005, 7007 and 7008) across the last 15 years (Source: Rental Bond Data, Tasmanian Government via SGS Economics and Planning, Rental Affordability Index)

Table 1 Median rents for Hobart (postcodes 7000, 7004, 7005, 7007 and 7008) for a 10-year period until mid-2025
 (Source: Rental Bond Data, Tasmanian Government via SGS Economics and Planning, Rental Affordability Index)

Year	Quarter	All	0-1 bedroom	2 bedroom	3 bedroom	4+ bedroom
2014	Q3	300	260	295	383	430
2014	Q4	320	270	300	395	450
2015	Q1	315	260	305	390	450
2015	Q2	315	255	310	380	495
2015	Q3	320	250	310	385	450
2015	Q4	320	260	310	405	450
2016	Q1	330	280	320	425	430
2016	Q2	345	300	320	420	500
2016	Q3	340	275	335	410	550
2016	Q4	340	275	340	440	535
2017	Q1	310	230	350	450	520
2017	Q2	380	300	375	453	530
2017	Q3	350	280	370	495	470
2017	Q4	370	295	385	450	550
2018	Q1	380	280	395	480	550
2018	Q2	400	350	400	500	560
2018	Q3	400	340	400	500	595
2018	Q4	400	360	390	500	650
2019	Q1	400	310	425	525	645
2019	Q2	430	330	420	530	638
2019	Q3	425	300	430	550	595
2019	Q4	440	300	450	550	620
2020	Q1	435	265	450	550	640
2020	Q2	395	275	395	500	545
2020	Q3	410	280	420	520	578
2020	Q4	430	300	435	535	550
2021	Q1	420	273	450	550	650
2021	Q2	450	310	450	560	600
2021	Q3	450	320	465	560	660
2021	Q4	465	290	475	600	700
2022	Q1	460	287	495	600	700
2022	Q2	470	350	490	600	638
2022	Q3	495	350	495	600	700
2022	Q4	480	303	480	620	780
2023	Q1	480	330	500	620	695
2023	Q2	480	340	475	595	665
2023	Q3	480	350	480	595	730
2023	Q4	480	338	485	600	650
2024	Q1	450	319	490	625	663
2024	Q2	470	345	480	600	700
2024	Q3	485	350	485	595	713
2024	Q4	475	320	500	620	700

Year	Quarter	All	0-1 bedroom	2 bedroom	3 bedroom	4+ bedroom
2025	Q1	500	340	520	630	788
2025	Q2	500	355	520	650	750

Professor Phibbs, in his separate report, examines in more detail how rental markets work. The report provides important background for understanding the benefits of the draft amendment. Attention is particularly drawn to the following:

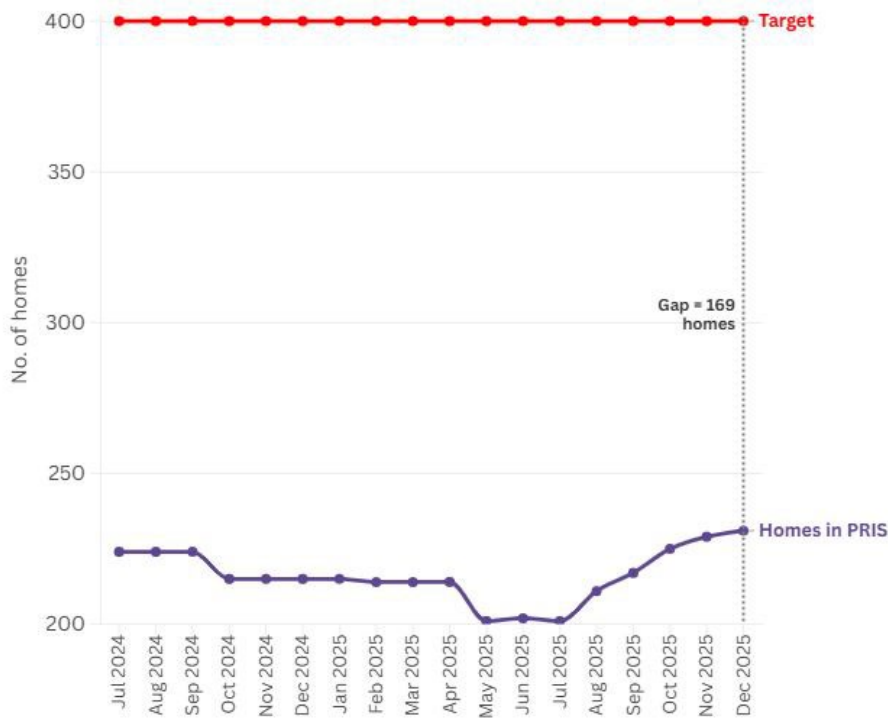
- The most commonly accepted measure of the balance between supply and demand in the rental market is the vacancy rate (the number of vacant and available rentals divided by total stock). Vacancy rates are considered to be the dominant influence on real rents, and research by Reserve Bank economists indicates that real rents will increase when the vacancy rate is less than 2.4%.
- Greater Hobart has a supply of about 20,000 long-term rental properties, and it is possible to significantly move rents either favourably or unfavourable for renters with changes in supply of 200 properties (1% of rental stock).
- The key impact consideration in relation to visitor accommodation is not the proportion of total dwelling stock in an area that is converted to short stay accommodation, but rather how much of the rental housing stock in an area is converted to short stay accommodation. This is because rental housing and its affordability is far more susceptible to changes in the balance of supply and demand than other forms of housing.

Clearly, rental housing stock is not only in high demand, but it is increasingly unaffordable within the Hobart LGA. Provision of new rental housing across Australia is currently being driven through specific incentives. The Australian Government has introduced new 'build-to-rent' tax concessions and specific funding streams for affordable housing, including the Housing Australia Future Fund (HAFF). The Tasmanian Government through Homes Tasmania has also introduced a financial incentive to lease homes to low-income earners at below market rates for two years.

The take-up of these incentives, particularly in Tasmania, has been low and is likely impacted by broader feasibility issues being experienced across the development sector in Australia due to costs of development.⁶ Uptake in Homes Tasmania's Private Rental Incentive Scheme is low and there is a current gap of 171 homes from the target as shown in Figure 7.

⁶ These feasibility issues are being experienced across the housing continuum but have the greatest effect on delivery of market solutions, as increased costs in public and community housing can to a degree be accommodated through Commonwealth and state funding mechanisms (although in Tasmania it has meant a continuing focus on low-cost development solutions in middle to outer suburbs and greenfield sites, rather than medium density infill). Council is well across these feasibility challenges particularly in the Central Hobart area.

Uptake of Homes Tasmania's Private Rental Incentive Scheme



Source: Homes Tasmania Dashboard, July 2024 - December 2025

Figure 7 Uptake of Homes Tasmania's Private Rental Incentive Scheme (Source: TasCOSS, February 2026)

2.5 Tourism

2.5.1 Current state of play

The tourism industry is a significant part of the Tasmanian economy and across the State provides important opportunities for jobs and investment. It contributes over 6% of Tasmania's Gross State Product and based on data collected through the Tasmania Visitor Survey (TVS)⁷, for the year ending September 2025, visitors spent \$3.659 billion in Tasmania with an average spend of \$2,691 per person. The State has a strong tourism industry, underpinned by our unique values, particularly those related to our natural areas, food and beverage production and the arts.

The TVS identifies that approximately 65% of visitors undertake an outdoor attraction while in Tasmania and that around three-quarters of all visitors come for leisure purposes (holiday or visiting family or friends). The current average length of stay in Tasmania is 9.4 days, with an average length of stay in Hobart City of 3.9 days as shown in Table 2.

⁷ Available through <https://www.tvsanalyser.com.au/>

In the past 10 years, there has been growth in visitor numbers to Tasmania, although the impact of the COVID-19 pandemic is noticeable as shown in Table 2. Throughout this period, the proportion of total visitors coming to the Hobart City⁸ area has remained relatively steady at about 70%.

Table 2 Total visitors to Tasmania (Source: Tasmanian Visitor Survey)

	YE June 16	YE June 17	YE June 18	YE June 19	YE June 20	YE June 21	YE June 22	YE June 23	YE June 24	YE June 25
Total visitors to Tasmania	1,173,802	1,273,936	1,300,047	1,315,618	1,025,573	574,607	797,330	1,279,952	1,301,570	1,348,303
Annual growth rate		9%	2%	1%	-22%	-44%	39%	61%	2%	4%
Total visitors average length of stay	8.7	8.5	8.4	8.3	7.6	10.1	11.0	9.4	9.9	9.5
Visitors to Hobart City	859,068	921,738	945,348	947,861	737,024	395,710	569,671	945,595	1,008,919	960,651
Visitors to Hobart City as proportion of total visitors to Tasmania	73.2%	72.4%	72.7%	72.0%	71.9%	68.9%	71.4%	73.9%	77.5%	71.2%
Hobart City visitors average length of stay	3.9	4.0	3.7	3.8	3.6	4.2	4.6	4.0	4.2	3.9

While one of the key reasons that visitors come to Tasmania is to experience the outdoors, most of the top-visited attractions in Tasmania are ones that align with using Hobart as an accommodation base. The top-five most visited attractions in Tasmania for the year ending September 2025, available from the Tasmanian Visitor Data dashboard were:

- Salamanca Market – 582,000 visitors
- Kunanyi/Mount Wellington – 404,000 visitors
- MONA – 318,000 visitors
- Cataract Gorge – 304,000 visitors
- Port Arthur Historic Site – 301,000 visitors.

2.5.2 Tasmania's 2030 strategy

The Tasmanian Government has prepared a visitor economy strategy to provide a longer-term vision for the visitor economy through to 2030.

The 2030 Visitor Economy Strategy⁹ identifies that by 2030 Tasmania is set to welcome 2 million visitors to the State with an average growth rate of 2.6% per year from 2025 to 2030. Based on the number of

⁸ Hobart City in this context does not strictly refer to a defined spatial area, but generally refers to the Central Hobart area and surrounding suburbs

⁹ <https://www.tourismtasmania.com.au/industry/2030-visitor-economy-strategy/>

visitors to Hobart City as of the year ending June 2025 as shown in Table 2, this could mean nearly 1.01 million visitors to Hobart City per year.

The 2030 Visitor Economy Strategy also identifies that with expected population growth and an increasing number of intrastate trips per capita, intrastate visitation will reach 2.6 million trips by 2030, an additional 1.0 million trips relative to 2019.

2.6 Existing visitor accommodation

The Visitor Accommodation use class¹⁰ under the TPS encompasses all types of accommodation for people away from their usual place of residence. It is sufficiently broad and encompassing that it covers any type of visitor accommodation used: commercial-scale accommodation such as hotels or serviced apartments, smaller-scale facilities including bed and breakfast properties, and individual fully or semi self-contained accommodation units, colloquially known as short stay accommodation.

The Visitor Accommodation use class in the residential zones under the TPS is permitted regardless of type of visitor accommodation. However, the existing use standards manage the scale of the use through floor area, which indirectly is more restrictive on large-scale commercial operations.

2.6.1 Existing hotel accommodation

Council officers have undertaken an analysis of existing hotel accommodation in Greater Hobart and the Hobart LGA and have identified that there are currently 97 properties with 5,004 rooms across Greater Hobart. The Hobart LGA provides 3,961 of those rooms or just over 79%. The 10 largest hotels in Greater Hobart are located in the Hobart LGA.

Table 3 Ten largest hotels in Greater Hobart

Hotel	Approx. opening	No. of rooms
ibis Styles Hobart	Jul 2017	296
Wrest Point Hotel and Casino	Feb 1973	271
Hotel Grand Chancellor Hobart		244
The Old Woolstore Apartment Hotel	Jan 1997	242
Crowne Plaza Hobart	Jul 2020	241
Movenpick Hotel Hobart	Jan 2021	221
Doubletree by Hilton Hobart	Oct 2024	206
The Tasman, a Luxury Collection Hotel, Hobart	Dec 2021	152
Vibe Hotel Hobart	Nov 2020	142
Best Western Hobart	Jun 1975	141

Occupancy rates among commercial hotels vary across the year. While figures are not specifically available for Hobart LGA or Greater Hobart, the Tasmanian Accommodation Report produced by Tourism

¹⁰ The TPS defines broad use classes under clause 6.2 as a basis for defining and categorising uses in Use Tables for each zone.

Tasmania each year provides a snapshot of occupancy in the Southern Tasmania region as shown in Figure 9.¹¹

The Southern Tasmania region is generally the strongest performing region in terms of commercial occupancy with an average rate for the year ending September 2025 of 74.4% in comparison to the Tasmanian average of 69.4%. This was a 2.4% increase for the Southern region compared to 2024.

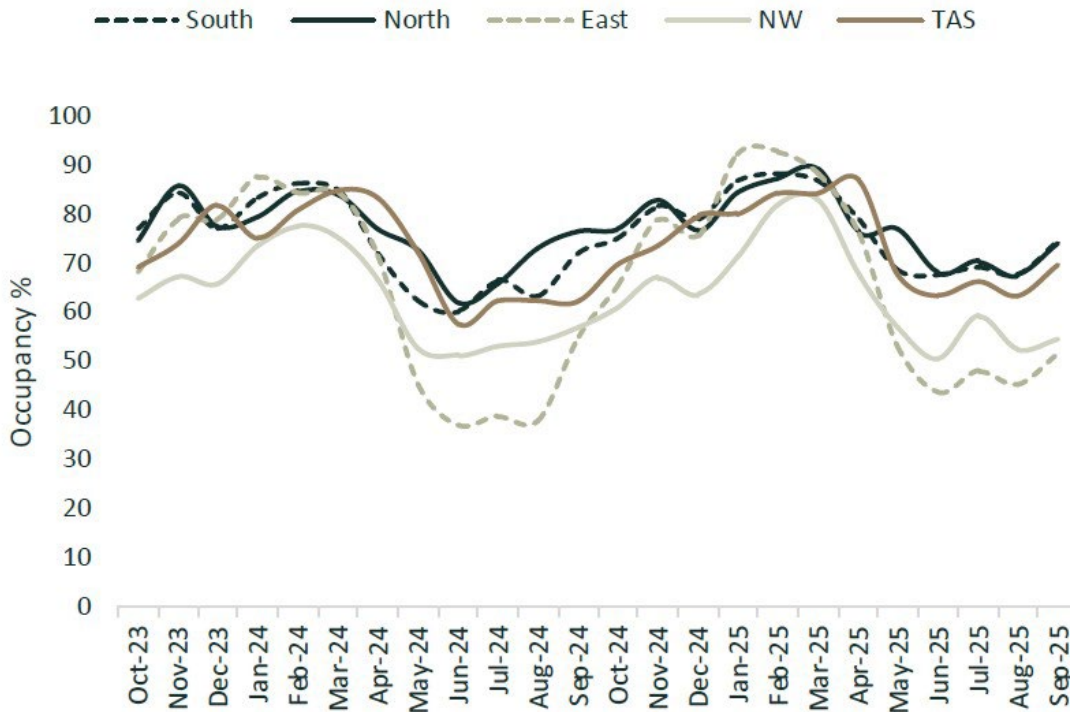


Figure 8 Commercial occupancy rates October 2023 to September 2025 (Source: Tasmanian Accommodation Report, Tourism Tasmania)

Commercial occupancy rates provide a useful measure of demand and of periods where current supply may not be meeting peak occupancy. Within the tourism industry, average occupancy of over 60% is considered reasonable from a commercial business perspective.

Based on the available data, it is reasonable to conclude that during peak summer months, commercial hotel accommodation in Southern Tasmania is operating at or near full capacity and short stay visitor accommodation properties may be helping provide adequate supply. It is also important to acknowledge that short stay accommodation may be fulfilling slightly different market needs than hotel accommodation. For example, families or longer stays may prefer short stay accommodation over hotel accommodation.

¹¹ The Southern Tasmania region is considered to be a reasonable substitute since the vast majority of commercial hotel accommodation is in Greater Hobart and more specifically Hobart LGA. In comparison, reliance on the short stay demand figures in the Tasmanian Accommodation Report is not likely to provide such useful data for this report because of the prevalence of short stay visitor accommodation in shack and holiday settlements around the Southern Tasmania region.

2.6.2 Hotel accommodation approvals

In the period from 2014 to 2015, 17 planning permits were issued for hotel accommodation with an approximate 2,505 bedrooms. These approvals include:

- Now operational:
 - Vibe Hotel
 - Crowne Plaza
 - Ibis
 - Double Tree
 - RACV/Hadleys
 - The Tasman
 - Mac1
 - Movenpick
 - Moss hotel (original approval)
- Under construction:
 - Somerset on the Pier
- Construction not yet commenced:
 - 21-25 Morrison Street
 - 234, 236-240 and 242 to 250 Elizabeth Street
 - 79 Collins Street
 - 125 Bathurst Street
 - 28 Davey Street

The not yet commenced construction approvals would provide for a total of 674 bedrooms.

2.6.3 Existing short stay listings

Over the past decade there has been significant growth in short stay accommodation within the Hobart LGA.¹² Rentalscape data from November 2025 indicates a total of 963 listings¹³ within the Hobart LGA. Research undertaken by Council officers indicate that 123 of these listings are commercially rated (they may be small hotels, pubs or bed and breakfasts), and therefore these have not been considered further as short stay accommodation. The residual number of listings is 840 properties. Of these, 166 listings meet the home share exemption, 17 listings meet the holiday exemption and 24 are under investigation for approval status.

The bulk of short stay listings are in residential zones, with 244 properties or 29% of total listings in the General Residential Zone, and 402 or 48% of total listings in the Inner Residential Zone (see Figure 9). Sandy Bay has the largest number of listings with 26.70% of all total listings, followed by Hobart (12.75%)

¹² For the purposes of this report, short stay accommodation refers to Visitor Accommodation that is not commercial-scale accommodation such as hotels or serviced apartments and is typically provided as small-scale, self-contained accommodation.

¹³ Each listing is a property and is not indicative of the number of bedrooms available.

and South Hobart (10.37%) as shown in Figure 10. However as shown in Figure 11, the suburb of Hobart has the greatest proportion of dwellings used for short term accommodation.

The data also shows that most listings are for 2 bedrooms (25.5% of total short stay listings) and 3 bedrooms (26.2% of total short stay listings) as shown in Figure 12. Short stay listings that fall within the scope of the exemptions for home sharing or holiday use are, however, more likely to be 1-bedroom listings. This is unsurprising given that the home sharing exemption is intentionally allowing for people to generate a small income from an extra room on their property.

Analysis has also been undertaken on the proportion of total dwellings in each zone as shown in Table 4.

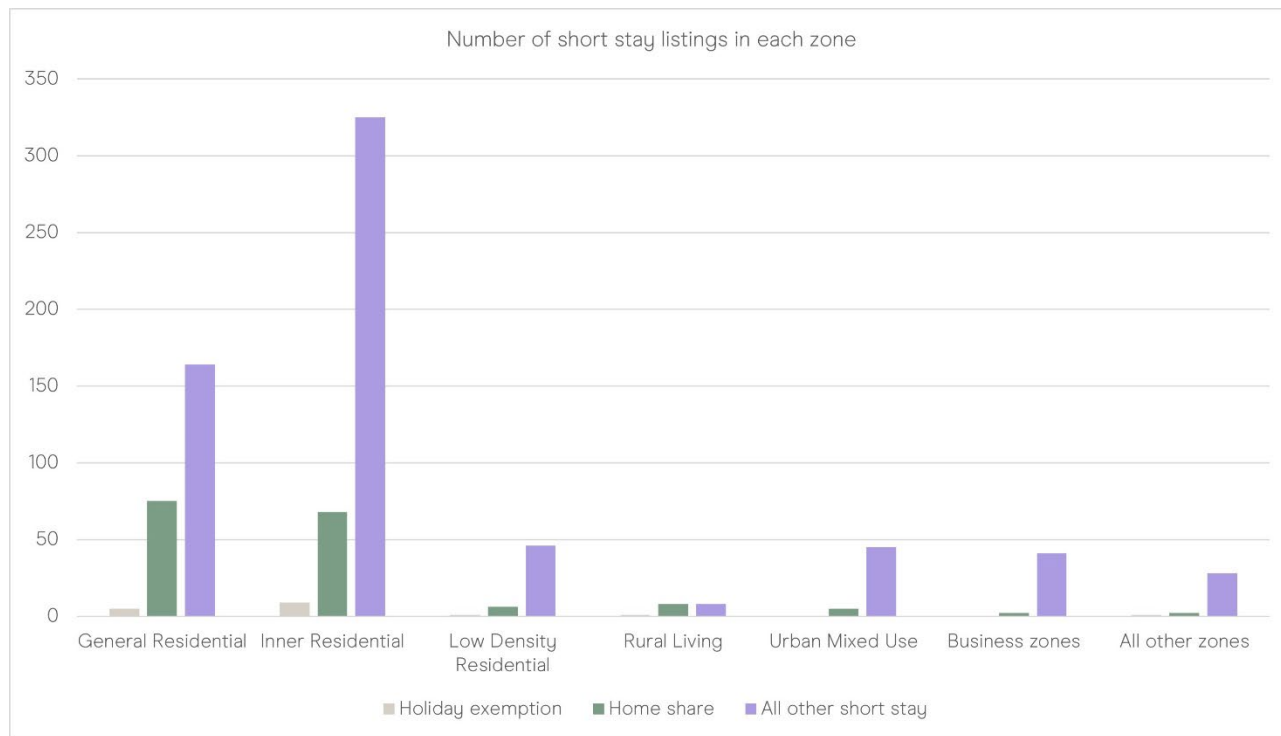


Figure 9 Number of short stay properties in each zone including home share and holiday exemption properties (Source: derived from Rentalscape data)

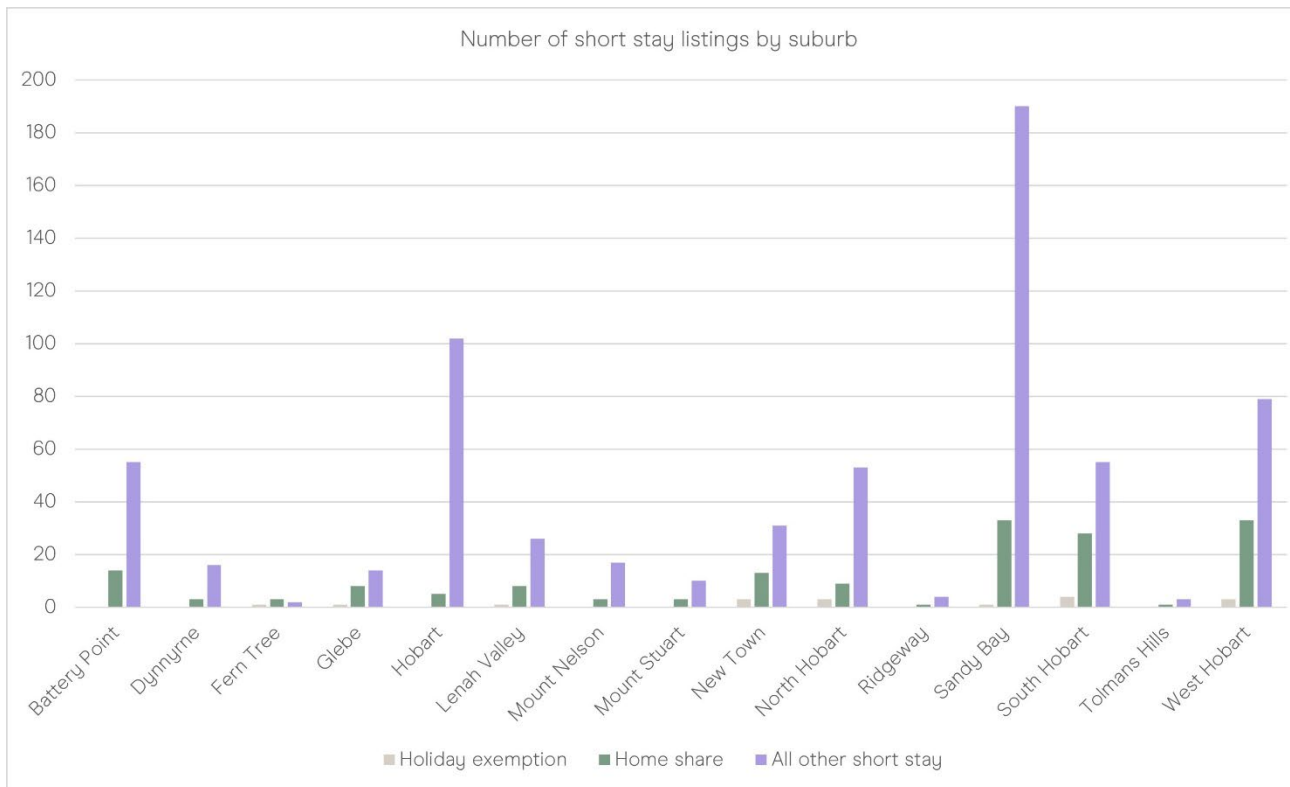


Figure 10 Number of short stay listings in each suburb including home share and holiday exemption properties (Source: derived from Rentalscape data)

Table 4 Proportion of dwellings used for short stay accommodation by zone (excluding exemption properties)

Zone	No. of short stay properties (excl exemption properties)	Total no. of dwellings	Proportion of dwellings used for short term accommodation
General Residential Zone	164	9,481	1.73%
Inner Residential Zone	325	8,390	3.87%
Low Density Residential Zone	46	2,018	2.28%
Rural Living Zone	8	391	2.05%
Business zones	41	500	8.20%
Urban Mixed Use Zone	45	496	9.07%
Other zones	28	651	4.30%

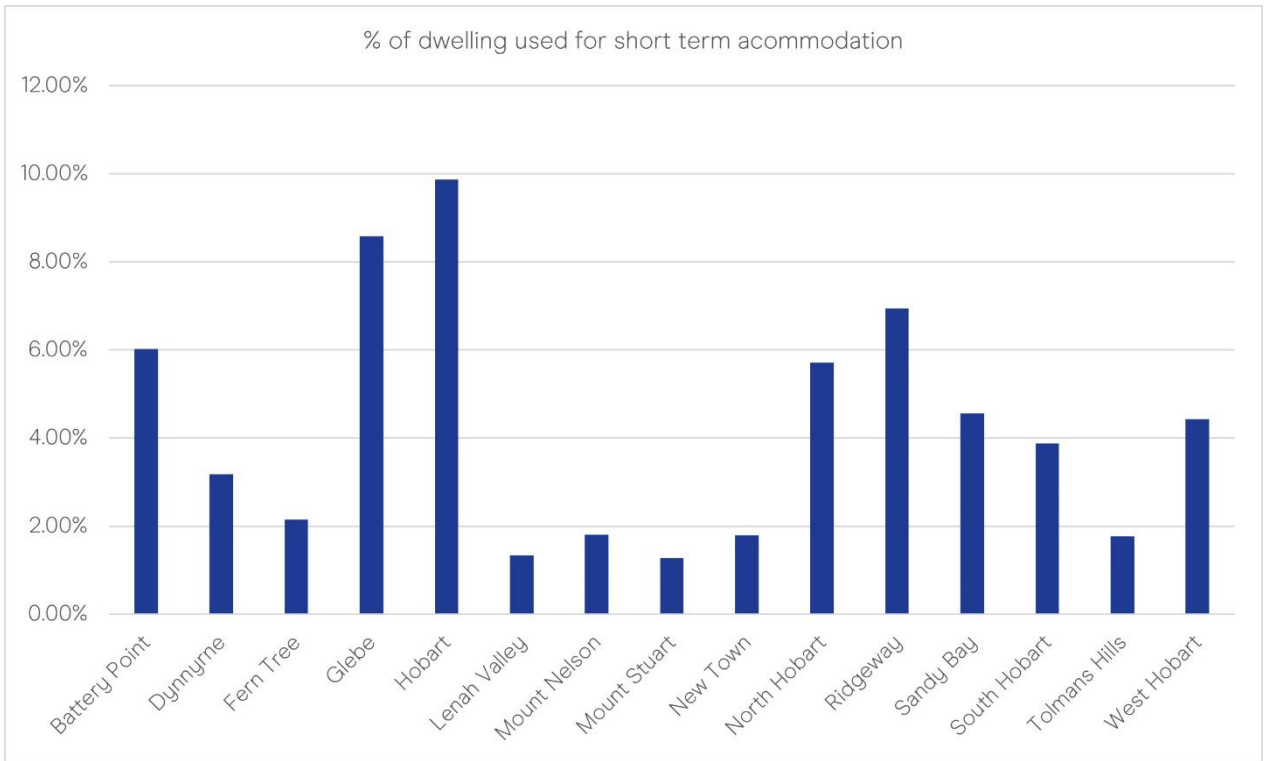


Figure 11 Percentage of dwellings used for short term accommodation by suburb (Source: derived from Rentalscape data)



Figure 12 Number of bedrooms in short stay listings (Source: derived from Rentalscape data)

2.6.4 Visitor accommodation approvals

Visitor accommodation approvals provide data on the conversion of dwellings to short stay accommodation. Using information sourced from Council’s lodgement system in the 10 years from 2014 to 2024 (inclusive), a total of 852 planning permit applications were issued for short stay accommodation (see Table 5).¹⁴

Around 90% of these permits have been issued since mid-2017 when the current Visitor Accommodation use class provisions were introduced through Interim Planning Directive No. 2.

The rate of permits issued each year fell during the COVID-19 pandemic but increased as visitor numbers grew post-pandemic (see Figure 13).

Table 5 Planning permits issued for short stay accommodation over the past 10 years.¹⁵

Calendar year	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
General Residential Zone	2	6	18	19	16	36	11	9	37	34	16
Inner Residential Zone	6	29	34	50	50	66	21	30	67	51	33
Low Density Res. Zone	0	2	4	1	5	9	3	4	12	8	5
Other zones	0	4	3	10	17	35	7	12	32	27	11
Total permits issued	8	41	59	80	88	146	42	55	148	120	65

¹⁴ This does not include approvals for other types of Visitor Accommodation such as hotels. Planning permit applications for visitor accommodation on non-residential rated properties were excluded as a substitute for ‘short stay’ given planning permit applications are defined against the Visitor Accommodation use class and short term accommodation is not defined use in the planning scheme.

¹⁵ Figures for 2025 are not included because at the time of writing this report, numbers were available through to June 2025 only.

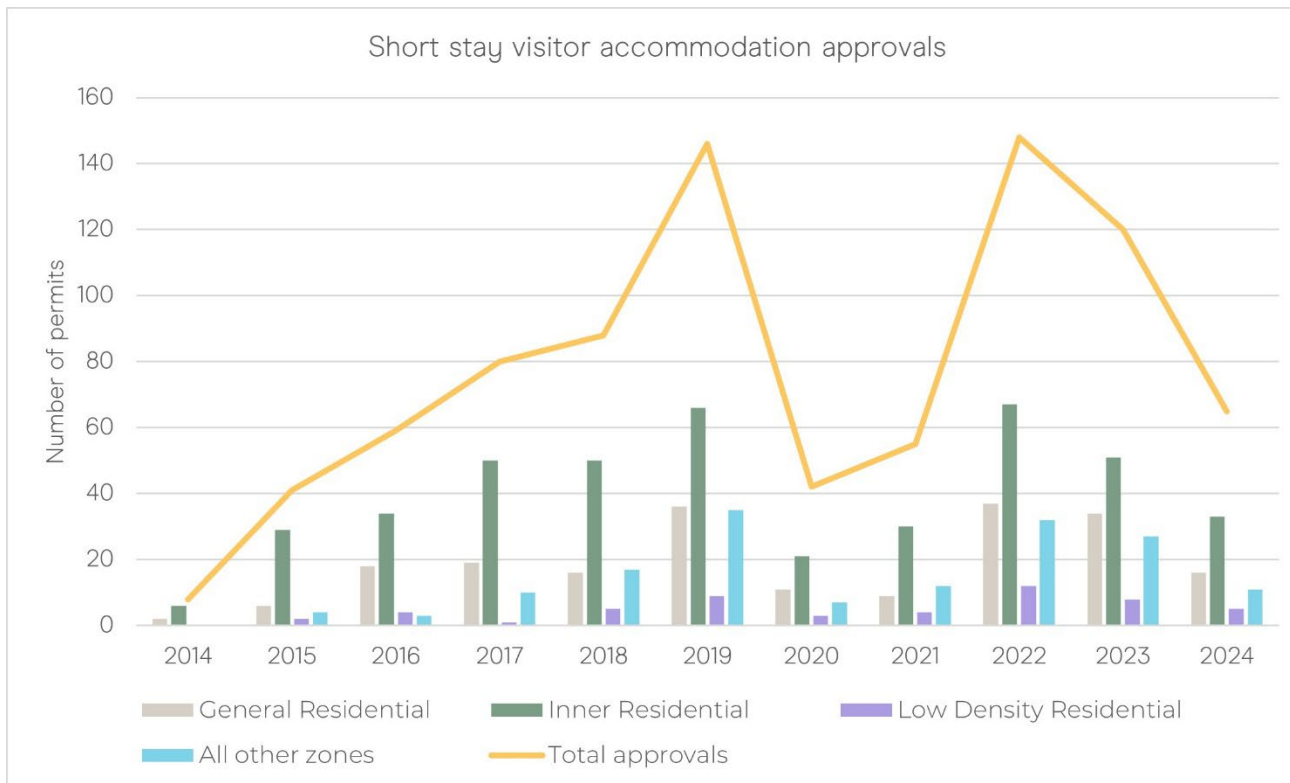


Figure 13 Short stay visitor accommodation approvals over the past 10 years

2.7 Phibbs report

A separately available supporting report has been prepared by Professor Peter Phibbs, an urban economist and housing researcher. It examines the impacts of short stay visitor accommodation on housing availability, affordability and residential amenity in the Hobart LGA.

The report explains how relatively small reductions in long-term rental housing supply can materially affect rents when vacancy rates are already low. Hobart’s rental market is described as extremely tight, with vacancy rates well below equilibrium levels¹⁶.

Key findings in Professor Phibbs report are as follows:

- The Hobart LGA has a high concentration of short stay visitor accommodation properties relative to other capital cities, and there are clear financial incentives (higher returns due to strong tourism industry) for landlords to shift dwellings from long-term rentals to short stay.
- There is evidence that a significant proportion of dwellings approved for visitor accommodation since 2018 previously operated in the long-term rental market, particularly within residential zones in the Hobart LGA, and the key impact of the changes in the planning scheme provisions in 2017 was most significantly felt in the rental housing supply market.

¹⁶ Recent media has report a vacancy rate of less than 1%.

- Analysis of COVID-19 impacts demonstrates that when short stay properties are temporarily returned to the long-term rental market, vacancy rates increased and rents fell, with the strongest effects in areas with the highest concentrations of short stay visitor accommodation.

The report also addresses arguments that dwellings converted to short stay visitor accommodation are unsuitable for long-term rental or are too expensive to contribute to affordability outcomes, due to the proportion of conversions that were previously long-term rentals. It finds that freeing up higher-value rental stock can still improve affordability across the market by reducing competition and crowding-out effects.

2.8 SGS report

SGS Economics and Planning have prepared an updated cost-benefit analysis (CBA) to assess the social and economic costs and benefits of introducing the proposed Visitor Accommodation Specific Area Plan in residential zones within the City of Hobart.

The CBA adopts a best-practice, society-wide evaluation framework and assesses impacts on a per-dwelling basis, comparing current planning settings (the base case) with a scenario where dwellings remain in permanent residential use under the proposed SAP (the project case). This framing avoids the need to make speculative assumptions about the precise number of dwellings affected over time and instead focuses on the marginal costs and benefits associated with preventing the conversion of an individual dwelling to short stay visitor accommodation.

The analysis assumes that, over time, both the housing market and the visitor accommodation market adjust towards equilibrium. Under the base case, conversion of dwellings to short stay accommodation ultimately results in replacement housing being delivered elsewhere in the Greater Hobart region, most likely in outer or greenfield locations. Under the project case, visitor accommodation demand is assumed to be met through alternative accommodation types, such as hotels, serviced apartments or visitor accommodation in non-residential zones. As a result, the total quantum of housing and visitor accommodation is assumed to be the same under both scenarios, with the key difference being the location and form of that accommodation.

On this basis, the principal cost identified in the CBA is the capital cost associated with providing replacement visitor accommodation (forgone short stay dwellings replaced by hotel or serviced apartment accommodation). The principal benefits include:

- improved housing utility arising from retaining permanent housing in well-located areas with superior access to jobs, services and public transport;
- avoided development costs associated with providing replacement housing in greenfield locations;
- avoided transport externalities resulting from reduced travel distances for households retained in inner urban locations.
- Amenity impacts associated with short stay accommodation, such as noise and reduced neighbourhood cohesion, are acknowledged in the analysis but are not monetised due to limitations in the available evidence. These impacts are instead considered qualitatively.

Using discounted cash flow analysis over an assumed 40-year economic life, the CBA finds that the proposed SAP generates a Net Present Value of approximately \$298,500 per dwelling, with a Benefit-Cost Ratio of 2.11:1. This indicates that for every dollar of cost incurred, more than two dollars of benefit accrue to the community as a whole. Sensitivity testing demonstrates that the result remains robust under a wide range of assumptions.

In equity terms, the analysis identifies that the primary beneficiaries of the proposed SAP are renting households and the broader community, through improved housing access, reduced infrastructure and transport costs, and more efficient urban outcomes. While residential property owners who might

otherwise achieve higher returns through short stay accommodation may be disadvantaged, these impacts are characterised as transfer effects, rather than net social costs.

When applied across the projected number of dwellings that would otherwise be converted to short stay accommodation over a 20-year period, the CBA estimates total net community benefits in the order of \$180 million to \$337 million. Overall, the SGS analysis concludes that prohibiting further conversion of dwellings to short stay visitor accommodation in residential zones delivers a clear and material net benefit and supports the strategic intent of the proposed amendment.

2.9 Analysis

There is clear evidence that the number of dwellings in residential zones being converted to short stay accommodation increased since Interim Planning Directive No. 2 brought into effect the current planning scheme provisions, although was affected by the COVID-19 pandemic. While the proportion of all dwellings used for short term accommodation ranges generally between 1.7% and 3.8%, the analysis by Professor Phibbs demonstrates that when more specifically considering the loss of long-term rentals to short stay accommodation since 2018, the impact is more significant.

There are good planning reasons why planning systems should support sufficient supply of rental housing stock, particularly in well-located areas like the Hobart LGA. Rental housing is critical for households unable or unwilling to move into home ownership and plays an important function in the housing continuum. The affordability of rental housing in Greater Hobart has declined since 2015, with median rents increasing significantly over the years. The cost of rental housing is influenced by the balance between supply and demand, with vacancy rates being a dominant factor. Inadequate supply of affordable rental housing drives greater demand in non-market solutions to housing, putting pressure on the overall system.

The conversion of long-term rental properties to short stay visitor accommodation has significantly impacted the rental housing supply in the Hobart LGA. The analysis shows that even small reductions in long-term rental housing supply can materially affect rents when vacancy rates are already low. Professor Phibbs outlines that a change of only 1% in the total supply of rental housing across Greater Hobart would noticeably affect rents.

There are about 20,000 long-term rental properties across Greater Hobart. A further loss of 200 long-term rentals through conversion to short stay visitor accommodation would decrease affordability. In the period since 2018, Professor Phibbs identifies that of properties with visitor accommodation permits issued since 2018, 319 properties had a long-term rental history, with 256 of these in the residential zones. Based on the 1% logic, this has had a material and detrimental impact on rental housing affordability. Using statistics on visitor accommodation approvals, it may only take a 2 to 3 years for a similar impact to occur again or sooner if there is an upturn in the visitor economy.

Affordability of housing is a significant issue for the community and the planning system. Access to adequate housing is a basic human right, and the current housing crisis in Australia is characterised by soaring property prices, a shortage of affordable housing, and growing homelessness. The decreasing affordability of rental housing is a specifically known issue for the Hobart LGA and Greater Hobart. There are locally specific challenges arising from low median incomes comparative to other cities and less new infill development due to more severe development feasibility challenges associated with new development also relative to other cities¹⁷.

¹⁷ This is a well recognised problem for Hobart. High land values, unproven markets for higher density development limiting financial lending, limited capacity in the local development sector and high labour and construction costs have been identified across a range of planning studies.

The Australian and Tasmanian governments have introduced incentives to increase the supply of rental housing, including tax concessions and financial incentives for affordable housing. However, the uptake of these incentives has been low, likely due to broader feasibility issues in the development sector.

This current situation and slow take-up and delivery of built to rent opportunities only emphasises the importance of maintaining the current stock of rental properties to avoid any further detrimental impacts on affordability.

This strategic planning context is also directly relevant to this report. Evidence presented in this report demonstrates that the loss of long-term rental dwellings to whole-dwelling visitor accommodation is occurring predominantly in residential zones close to central Hobart, where demand for both housing and short-stay accommodation is highest. Allowing ongoing conversion of housing in these locations undermines the objectives of the STRLUS and the Greater Hobart Plan by reducing affordable rental supply in the areas best suited to accommodating it.

Overall, it is considered that there is a reasonable basis to restrict further conversion of dwellings to short stay visitor accommodation in the Hobart LGA, particularly to mitigate detrimental impacts on the availability and affordability of rental housing in well-located residential areas. Fundamentally, the role of the planning system is to balance competing demands and impacts between different land uses, having regard to cumulative effects and broader social and economic outcomes.

The draft amendment seeks to do this by prohibiting the loss of a Residential dwelling through conversions or redevelopment in the General Residential Zone, Inner Residential Zone and Low Density Residential Zone. The purpose is to (1) preserve those areas for primarily residential use, (2) ensure no further loss of long-term rental housing in well-located areas close to jobs, services and amenities, and (3) prevent further detrimental impacts on rental housing affordability that will otherwise drive further pressure on non-market solutions such as social and community housing, particularly when the social housing waitlist in Tasmania is worsening.

It is recognised that the tourism industry is a significant part of the Tasmanian economy, contributing over 6% of the Gross State Product. Visitor numbers have grown over the past decade, with Hobart City being a major destination. It is a reasonable assumption that tourists like to be located close to the major destinations and therefore the Hobart LGA is a very attractive place for tourists to stay.

It is also recognised that current commercial hotel accommodation is operating at or close to capacity during peak periods and that current short stay accommodation is assisting in managing the balance between supply and demand for visitor accommodation in peak periods within the Hobart LGA.

That said, the draft amendment will not impact existing lawful visitor accommodation supply, but rather restrict further conversion of residential dwellings where this would result in the loss of long-term housing stock. The draft amendment will redirect supply to where it can be provided as part of a new use and development and there is no net loss of residential dwellings, or away from residential areas to mixed use and business localities.

The cost-benefit analysis undertaken by SGS Economics and Planning finds that, on a per-dwelling basis, the proposed amendment delivers a clear net community benefit. The analysis adopts an equilibrium framing, under which tourism demand is assumed to be met through alternative accommodation types, including hotels, serviced apartments and visitor accommodation in non-residential zones, while the key benefit arises from retaining housing in well-located residential areas rather than displacing households to outer or greenfield locations. SGS does identify that the main group adversely affected is residential property owners who might otherwise achieve higher returns through short term Visitor Accommodation, but this private loss is outweighed by wider community gains.

3 The draft amendment

3.1 The draft amendment

The draft amendment is to insert a new specific area plan (SAP) into the Hobart LPS. The proposed SAP is available separately.

The SAP will be applied by way of overlay. The overlay area is intended to be the entire LGA as shown in Figure 2. The SAP will, however, be limited through clause HOB -S11.5 to the General Residential, Inner Residential and Low Density Residential zones and within those zones to a Visitor Accommodation use only. The application clauses are specifically drafted to limit the application of the SAP and avoid unnecessary complication for other uses within the zones. The application clauses also ensure that the draft amendment does not apply to the area covered by the existing Battery Point SAP.

The SAP seeks to substitute the existing Visitor Accommodation use standards in those zones which arise from the State Planning Provisions. These use standards are:

- General Residential Zone – Clause 8.3.2 Visitor Accommodation
- Inner Residential Zone – Clause 9.3.2 Visitor Accommodation
- Low Density Residential Zone – Clause 10.3.2 Visitor Accommodation.

The SAP use standard comprises two standards:

- A1/P1 replaces the current A1/P1 in the above-mentioned clauses. Through an acceptable solution pathway, it allows for:
 - use of an existing dwelling for Visitor Accommodation provided that the dwelling is the operator's primary place of residence;
 - use of a secondary residence on a site (formerly known as an ancillary dwelling) where the operator's primary residence is on the same site; and
 - Visitor Accommodation achieved through new development on a site, provided that there is same number of Visitor Accommodation units as Residential dwellings and that there is no net loss in the number of existing dwellings on a site, should they exist. This pathway is provided to ensure that redevelopment of underutilised sites continue to be encouraged through planning controls.

As there is no performance criterion under P1, all other forms of Visitor Accommodation then become prohibited.

- A2/P2 is as per the State Planning Provisions and no modification to the wording of this standard is proposed as part of the proposed amendment. It is included in the SAP to provide the simplest way in which to substitute the existing clauses 8.3.2, 9.3.2 and 10.3.2 as contained in the SPPs¹⁸.

It is important to note that clause 4.1.6 of the SPPs provides an exemption for some forms of Visitor Accommodation use. Specifically, the exemptions cover the following circumstances:

- Where the dwelling is used by the owner or occupier as their main place of residence, and only let while the owner or occupier is on vacation; or
- Where the dwelling is used by the owner or occupier as their main place of residence, and visitors are accommodated in not more than 4 bedrooms.

Nothing in the draft amendment affects these exemptions. These exemption pathways will continue to be available even in the residential zones. There is no mechanism for Council to substitute or modify exemptions in the SPPs.

The draft amendment also continues to allow for new Visitor Accommodation use in the residential zones where it forms part of a new development on a site where it is accompanied by the same number of Residential dwellings and if there are existing dwellings there is no net loss. For example, a new infill development proposed on an underutilised site could incorporate both residential and visitor accommodation use in a planning permit application.

In addition, the draft amendment does not affect the status of Visitor Accommodation in any other zones, like the Commercial Zone, Local Business Zone, General Business Zone, Central Business Zone and Urban Mixed Use Zone.

3.2 Explanatory notes

The notes in Table 6 provide an explanation of the intent of the proposed provisions in the Hobart Visitor Accommodation SAP.

Table 6 Explanatory notes to the specific area plan

Clause	Provision	Commentary
HOB-S11.1 Purpose of the Specific Area Plan		
HOB-S11.1.1	<i>The purpose of this specific area plan is to:</i> <i>(a) limit the impact of Visitor Accommodation use on the availability and affordability of housing for long-term residents in residential zones in the City of Hobart; and</i> <i>(b) maintain the character of local residential communities.</i>	The purpose statement provides a clear outline of the reason for the SAP.
HOB-S11.2 Application of the Specific Area Plan		

¹⁸ Notwithstanding the decision in *Hobart City Council v Rich Tapestry Pty Ltd (ACN 667 999 055) [2024] TASSC 54* (23 October 2024), changes to A2/P2 are not considered necessary due to the extent of limitation applied by the proposed A1/P1. This proposed standard at A1/P1 will practically limit the occurrence of change of use in strata title development to a significant degree.

Clause	Provision	Commentary
HOB-S11.2.1	<i>The specific area plan applies to the area of land designated as Hobart Short Stay Visitor Accommodation Specific Area Plan in Figure FIX.1.</i>	This clause confirms that the spatial application of the SAP is in Figure FX.1. The area will also be shown in the overlay maps.
HOB-S11.2.2	<i>In the area of land this plan applies to, the provisions of the specific area plan are in substitution for the provisions of the:</i> <i>(a) General Residential Zone;</i> <i>(b) Inner Residential Zone; and</i> <i>(c) Low Density Residential Zone as specified in the relevant provisions.</i>	This clause confirms that the SAP applies only in substitution to provisions in the General Residential, Inner Residential and Low Density Residential zones and that the clause it specifically substitutes is specific in the relevant provision being HOB-S116.1 as outlined below.
HOB-S11.2.3	<i>This specific area plan applies to the Visitor Accommodation use class only.</i>	This clause narrows the application of the SAP to the Visitor Accommodation use class only. When read in conjunction with Clause HOB-S11.2.2 it ensure that the SAP application is kept as narrow as possible and does not unnecessarily pull in other planning permit applications for assessment.
HOB-S11.2.4	<i>Notwithstanding clause HOB-S112.2, this specific area plan does not apply to the area of land designed as Battery Point Specific Area Plan on the overlay maps and in Figure HOB-S7.4.</i>	This clause specifies that the SAP will not apply to land already covered by the Battery Point SAP, where there are existing locally specific provisions applying to Visitor Accommodation use.
HOB S11.3 Local Area Objectives	<i>Not used in the SAP</i>	No Local Area Objectives have been included in the SAP. These were not considered necessary given the proposed use standard removes a discretionary pathway by having no performance criteria under A1/P1. Consideration of Local Arae Objectives is not possible under an acceptable solution as it does not provide a clear objective and measurable standard.
HOB S11.4 Definition of terms	<i>Not used in the SAP</i>	No specific terms were considered necessary to implement the SAP. The SAP relies on the existing uses classes defined under Table 6.2 and defined terms at Table 3.1 of the SPPs.
HOB S11.5 Use Table	Not used in the SAP	To give effect to the desired outcomes, the draft amendment does not require substitution or modification of the use table in the underlying zones. Visitor Accommodation is a permitted use under: <ul style="list-style-type: none"> · Clause 8.2 Use Table in the General Residential Zone. · Clause 9.2 Use Table in the Inner Residential Zone. · Clause 10.2 Use Table in the Low Density Residential Zone.

Clause	Provision	Commentary
HOB-S11.6 Use Standards		<p>The permitted status in those use tables is still given effect through the SAP use standard as there is an acceptable solution pathway.</p> <p>It is therefore not necessary to change the use status in the relevant Use Tables.</p>
HOB-S11.6.1	A1/P1	<p>A1/P1 is in direct substitution of A1/P1 as contained in the corresponding use standard in the underlying zones.</p> <p>This standard provides for three acceptable solution pathways as described in section 3.1 above. There is no performance criteria, meaning that if the acceptable solutions can not be satisfied, the Visitor Accommodation use is prohibited.</p> <p>Inclusion of a discretionary pathway is considered to undermine the intent of the SAP. The SAP arises because of the 'cumulative' impact of Visitor Accommodation approvals in the relevant zones. Cumulative impact is highly difficult to manage through assessment of individual small scale applications.</p>
	A2/P2	<p>A2/P2 is as per the SPPs with no modification at:</p> <ul style="list-style-type: none"> · Clause 8.3.2; · Clause 9.3.2; and · Clause 10.3.2 <p>It has been included in the SAP only to allow for a clean substitution of one entire use standard in each underlying zone with the SAP use standard.¹⁹</p>

¹⁹ As per previous footnote on page 27

4 Assessment of planning scheme amendment

4.1 Requirements of the LUPA Act

Section 34(2) of the LUPA Act sets out the LPS criteria for a draft amendment to an LPS that are required to be satisfied in order for it to be certified and approved. The criteria are as follows:

- (a) contains all the provisions that the SPPs specify must be contained in an LPS; and*
- (b) is in accordance with section 32; and*
- (c) furthers the objectives set out in Schedule 1; and*
- (d) is consistent with each State policy; and*
- (da) satisfies the relevant criteria in relation to the TPPs; and*
- (e) as far as practicable, is consistent with the regional land use strategy, if any, for the regional area in which is situated the land to which the relevant planning instrument relates; and*
- (f) has regard to the strategic plan, prepared under section 66 of the Local Government Act 1993, that applies in relation to the land to which the relevant planning instrument relates; and*
- (g) as far as practicable, is consistent with and co-ordinated with any LPSs that apply to municipal areas that are adjacent to the municipal area to which the relevant planning instrument relates; and*
- (h) has regard to the safety requirements set out in the standards prescribed under the Gas Pipelines Act 2000.*

The following sections address the matters that are covered by the above-mentioned legislative requirements.

4.2 Assessment against section 34(2)(a)

As outlined in section 1.2, the TPS consists of two parts: the State Planning Provisions (SPPs) and a Local Provisions Schedule (LPS) for each municipal area in Tasmania. The SPPs include administration clauses, general provisions, use and development standards for zones and codes, and LPS requirements.

The LPS includes the zone maps, overlay maps and may include local area objectives, particular purpose zones, specific area plans, site-specific qualifications, and code lists for each LGA.

Section 34(2)(a) requires that the amendment result in a planning scheme instrument which contains all the provisions that the SPPs specify must be contained in an LPS.

The SPPs prescribe the structure and form for LPSs at clause LP1.0 Local Provisions Schedule Requirements. The prescriptions for the structure of a SAP are set out at LP1.5. The draft amendment being the inclusion of a new SAP in the Hobart LPS satisfies the requirements at clause LP1.5 for the reasons outlined in Table 7.

Table 7 SPP requirements for a specific area plan

SPP requirement	Response
<p><i>A specific area plan must include:</i></p> <p><i>(a) Plan Purpose; and</i></p> <p><i>(b) Application,</i></p> <p><i>as well as at least one other sub-clause, excluding local area objectives, definition of terms or tables.</i></p>	<p>The draft SAP includes both a plan purpose statement and an application clause as well as one other sub-clause being the proposed use standard.</p>
<p><i>The provisions of a specific area plan must include each of the headings shown in Appendix A followed by either the substance of the provision, or the words "This sub-clause is not used in this specific area plan", as the case may be.</i></p>	<p>The draft SAP complies with this requirement.</p>
<p><i>Any defined terms within a specific area plan must be additional to those set out in clause 3.0 and must not change the meaning of an existing defined term.</i></p>	<p>Not applicable. The draft SAP does not introduce any new terms.</p>
<p><i>If a specific area plan is included in a LPS it must be shown on an overlay map identifying the area of the specific area plan.</i></p>	<p>Complies with this requirement. The draft amendment incorporates a proposed additional overlay map.</p>
<p><i>A specific area plan may include two or more areas, such as precincts, within the area of the specific area plan. A specific area plan with two or more areas may include:</i></p> <p><i>(a) additional subclauses to identify the application of the specific area plan to the different areas; and</i></p> <p><i>(b) separate local area objectives, use tables, and use and development standards to reflect the different areas within the area of the specific area plan.</i></p>	<p>Not applicable. The draft SAP does not rely on precincts. It is proposed to introduce one use standard only that would apply across the entire SAP area.</p>

4.3 Assessment against section 34(2)(b)

Section 34(2)(b) requires that the amendment is in accordance with section 32, which prescribes the content requirements for local provisions schedules. The proposed amendment accords with the content requirements of the LPS under section 32 for the reasons outlined in Table 8.

Table 8 Response to requirements of section 32 of the LUPA Act

Section 32 requirement	Response
<p><i>(1) An LPS is to consist of provisions that apply only to a single municipal area specified in the LPS.</i></p>	<p>Complies with this requirement. The SAP applies to the Hobart LGA only.</p>
<p><i>(2) An LPS –</i></p>	<p>Complies with this requirement. The SAP:</p>

Section 32 requirement	Response
<p>(a) must specify the municipal area to which its provisions apply; and</p> <p>(b) must contain a provision that the SPPs require to be included in an LPS; and</p> <p>(c) must contain a map, an overlay, a list, or another provision, that provides for the spatial application of the SPPs to land, if required to do so by the SPPs; and</p> <p>(d) may, subject to this Act, contain any provision in relation to the municipal area that may, under section 11 or 12, be included in the Tasmanian Planning Scheme; and</p> <p>(e) may contain a map, an overlay, a list, or another provision, that provides for the spatial application of the SPPs to particular land; and</p> <p>(f) must not contain a provision that is inconsistent with a provision of section 11 or 12; and</p> <p>(g) may designate land as being reserved for public purposes; and</p> <p>(h) may, if permitted to do so by the SPPs, provide for the detail of the SPPs in respect of, or the application of the SPPs to, a particular place or matter; and</p> <p>(i) may, if permitted to do so by the SPPs, override a provision of the SPPs; and</p> <p>(j) may, if permitted to do so by the SPPs, modify, in relation to a part of the municipal area, the application of a provision of the SPPs; and</p> <p>(k) may, subject to this Act, include any other provision that –</p> <p>(i) is not a provision of the SPPs or inconsistent with a provision of the SPPs; and</p> <p>(ii) is permitted by the SPPs to be included in an LPS; and</p> <p>(l) must not contain a provision that the SPPs specify must not be contained in an LPS.</p>	<ul style="list-style-type: none"> · specifically applies to the Hobart LPS. · is in the form of a SAP which the SPPs require to be included in the LPS and allows for the substitution of use standards in a zone. · is applied by way of overlay. · seeks to regulate a defined use of land only and therefore is consistent with section 11 of the LUPA Act. · does not seek to prevent ongoing lawful use of existing Visitor Accommodation as required by section 12 of the LUPA Act. · does not otherwise contain anything that is not allowed to be in a SAP as prescribed under LP1.0 of the SPPs.
<p>(3) Without limiting subsection (2) but subject to subsection (4), an LPS may, if permitted to do so by the SPPs, include –</p> <p>(a) a particular purpose zone, being a group of provisions consisting of –</p> <p>(i) a zone that is particular to an area of land; and</p> <p>(ii) the provisions that are to apply in relation to that zone; or</p> <p>(b) a specific area plan, being a plan consisting of –</p> <p>(i) a map or overlay that delineates a particular area of land; and</p> <p>(ii) the provisions that are to apply to that land in addition to, in modification of, or in substitution for, a provision, or provisions, of the SPPs; or</p> <p>(c) a site-specific qualification, being a provision, or provisions, in relation to a particular area of land, that modify, are in substitution for, or are in addition to, a provision, or provisions, of the SPPs.</p>	<p>Complies with this requirement. The draft amendment is a SAP that consists of an overlay map and contains provisions in substitution of the underlying zoning in the SPPs.</p>

Section 32 requirement

Response

(4) An LPS may only include a provision referred to in subsection (3) in relation to an area of land if –

(a) a use or development to which the provision relates is of significant social, economic or environmental benefit to the State, a region or a municipal area; or

(b) the area of land has particular environmental, economic, social or spatial qualities that require provisions, that are unique to the area of land, to apply to the land in substitution for, or in addition to, or modification of, the provisions of the SPPs.

The draft amendment is considered to meet both requirements of section 32(4) of the LUPA Act.

The draft amendment seeks to restrict further short stay Visitor Accommodation in residential zones where it results in a loss of a residential dwelling.

There is clear evidence that since the current provisions were introduced in mid-2017, there has been a noticeable loss of long-term rental properties, which has had an adverse impact on the affordability of rental housing in Hobart. Private rental housing provides an important role within the housing continuum, and failures within this housing sector increase pressure elsewhere in the housing system.

Housing and the housing crisis is the number one issue being experienced in planning systems across Australia at the moment. The Hobart LGA experiences particular challenges in regard to competition between residential and visitor accommodation land uses in that:

- It has, relative to other capital cities, a high proportion of short stay visitor accommodation as outlined in the report prepared by Professor Phibbs.
- The tourism industry is performing strongly, creating even more attractive financial return conditions for conversion of long-term rentals to short-term visitor accommodation.
- There is already evidence of the significant unaffordability in rental housing, caused by the combination of low median wages, high demand and lowering supply as outlined in the report prepared by Professor Phibbs.
- Replacement rental housing stock is not occurring at any perceivable scale at the moment. Built to rent incentives have limited take-up, and new higher density developments are often not progressing past planning permit stage because of feasibility constraints in the development sector, some of which arise because of conservative financial lending in Hobart due to an unproven market.

The combination of the unique spatial qualities of residential land in proximity to a capital city and Tasmania's most visited destination along with the nature of local challenges associated with development that would facilitate additional housing stock, despite known underutilised land and key strategic prioritisation for infill development in the LGA, particularly inner suburbs, is a key reason why the draft amendment is being progressed.

The CBA prepared by SGS specifically identifies that the draft amendment will assist in retaining dwellings which have better access to jobs, services and public transports compared to other areas.

This demonstrates that the draft amendment will have significant economic benefit to the Hobart LGA.

(5) An LPS must be in accordance with the structure, if any, that is indicated, or specified, in the SPPs to be the structure to which an LPS is to conform.

Complies with this requirement. The SAP is in accordance with the structure set out at clause LP1.5 of the SPPs.

Section 32 requirement	Response
<i>(6) A provision of an LPS must be in the form, if any, that the SPPs indicate a provision of an LPS is to take.</i>	Complies with this requirement. The specific provisions in the SAP are in the form of a use standard with an acceptable solution and performance criteria.
<i>(7) A provision of an LPS in relation to a municipal area is not to be taken to have failed to comply with this section, or to be inconsistent with a provision of the SPPs, by reason only that it is inconsistent with a provision of the SPPs that has not come into effect in relation to the municipal area.</i>	Not applicable.

4.4 Assessment against section 34(2)(c)

Section 34(2)(c) requires that the amendment furthers the objectives of the resource management and planning system set out in Schedule 1 of the LUPA Act. An assessment of the proposal against these objectives is provided in Table 9 below.

Table 9 Assessment against objectives of Schedule 1 of the LUPA Act

Part 1 Objective	Response
<i>(a) to promote the sustainable development of natural and physical resources and the maintenance of ecological processes and genetic diversity</i>	This objective is not affected by the draft amendment. The draft amendment relates to the status of a use class within existing urban zoned land. It will have no impact on natural and physical resources or the maintenance of ecological processes and genetic diversity.
<i>(b) to provide for the fair, orderly and sustainable use and development of air, land and water</i>	<p>The proposed amendment supports fair, orderly and sustainable land use by addressing conflict between permanent residential housing and whole-dwelling visitor accommodation within residential zones in the Hobart LGA. Evidence as outlined in section 2 of this report and in the report prepared by Professor Phibbs identify a material increase in conversion of long-term rental dwellings to short stay visitor accommodation since introduction of the SPPs. The evidence also shows Hobart's rental market is extremely tight, with low vacancy rates and high sensitivity to small reductions in rental supply. This has contributed to declining affordability and increased pressure on social and community housing systems or, as outlined in the SGS report, displacement of rental households to other areas that do not have the same benefits in terms of social and community outcomes and productivity as well-located residential land in the Hobart LGA does.</p> <p>Loss of residential dwellings to visitor accommodation undermines the primary function of residential zones and conflicts with prioritisation of meeting the housing needs of the community within the planning system. The amendment responds by prohibiting whole-dwelling visitor accommodation in affected residential zones, while retaining home-sharing and holiday-letting exemptions and continuing to allow visitor accommodation in new developments where there is no net loss and in non-residential zones.</p>

	<p>The evidence demonstrates that the draft amendment is economically justified, socially beneficial and consistent with efficient urban planning outcomes. The SAP improves housing availability and affordability, protects residential amenity, and reduces longer-term costs associated with sprawl and infrastructure provision, while still allowing the visitor economy to be accommodated in more suitable locations.</p> <p>Overall, the amendment balances social and economic considerations, protects rental housing availability, and provides a locally responsive, evidence-based planning outcome.</p>
<i>(c) to encourage public involvement in resource management and planning</i>	<p>This objective is achieved through the legislative process. The draft amendment will be placed on public exhibition for a formal comment period. Representors will be provided the opportunity to provide additional input during a public hearing process.</p>
<i>(d) to facilitate economic development in accordance with the objectives set out in paragraphs (a), (b) and (c)</i>	<p>The draft amendment is accompanied by a CBA that concludes it delivers a net benefit of 2.11:1 and that demand for economic development in the tourism sector can still be accommodated elsewhere in the LGA. The only detrimental impact is on income return to private land holders, which is outweighed by wider community gains.</p>
<i>(e) to promote the sharing of responsibility for resource management and planning between the different spheres of Government, the community and industry in the State</i>	<p>The draft amendment does not affect the attainment of this objective. The legislative process represents a process of shared responsibility.</p>
Part 2 Objective	Response
<i>(a) to require sound strategic planning and co-ordinated action by State and local government</i>	<p>There are several strategic planning documents relevant to the Hobart LGA that identify the potential and importance of the municipality in meeting housing needs of the community. Residential land in the Hobart LGA it is well-located in terms of access to jobs and services and minimises transport disadvantage that can be experienced in the middle and outer suburbs of Greater Hobart, particularly for lower income households. This includes the Greater Hobart Plan and STRLUS.</p> <p>The draft amendment supports prioritisation of existing housing stock in residential areas. In this respect it is aligned with sound strategic planning.</p>
<i>(b) to establish a system of planning instruments to be the principal way of setting objectives, policies and controls for the use, development and protection of land</i>	<p>The draft amendment does not affect the attainment of this objective. The draft amendment is consistent with the established system of planning instruments as addressed at section 4.2.</p>
<i>(c) to ensure that the effects on the environment are considered and provide for explicit consideration of social and economic effects when decisions are made about the use and development of land</i>	<p>The draft amendment does not affect the attainment of this objective. The draft amendment does not seek to modify, substitute or add to planning scheme provisions relating to effects on the environment arising from use and development.</p>
<i>(d) to require land use and development planning and policy to be easily integrated with environmental, social,</i>	<p>The draft amendment does not affect the attainment of this objective. Integration is achieved through the</p>

economic, conservation and resource management policies at State, regional and municipal levels

legislative process including the legislative provisions relating to this draft amendment.

(e) to provide for the consolidation of approvals for land use or development and related matters, and to co-ordinate planning approvals with related approvals

The draft amendment does not affect the attainment of this objective. The draft amendment relates to small-scale visitor accommodation use which is highly unlikely to require other approvals within the scope of the Resource Management and Planning System. Where relevant there is already legislative integration relating to heritage and water and sewerage considerations.

(f) to secure a pleasant, efficient and safe working, living and recreational environment for all Tasmanians and visitors to Tasmania

Ensuring sufficient supply of affordable long-term rental housing in proximity to the State's capital city and largest activity centre is fundamental to providing a pleasant, efficient and safe working and living environment. The draft amendment arises because of the detrimental impacts on access and affordability of rental housing that are now being evidenced.

While the draft amendment may restrict potential future supply of short stay accommodation that supports visitation to Hobart during peak periods, it is important that the planning system strikes an appropriate balance. Given the potential that is being retained to provide short stay accommodation through new development (in residential zones only where there is no net loss of residential dwelling) or in other zones, the draft amendment is considered to achieve this balance.

(g) to conserve those buildings, areas or other places which are of scientific, aesthetic, architectural or historical interest, or otherwise of special cultural value

The draft amendment does not affect the attainment of this objective. The draft amendment affects the status of the Visitor Accommodation use class on existing residential zoned land. It does not seek to modify, substitute or add to planning scheme provisions relating to conservation of buildings, areas or other places that have scientific, aesthetic, architectural or historical interest, or other special cultural values.

(h) to protect public infrastructure and other assets and enable the orderly provision and co-ordination of public utilities and other facilities for the benefit of the community

The draft amendment does not affect the attainment of this objective. The draft amendment affects the status of the Visitor Accommodation use class on existing residential zoned land. It does not alter the overall potential development yield on land and therefore will have no impact on provision or capacity of infrastructure and other assets.

(i) to provide a planning framework which fully considers land capability

The draft amendment does not affect the attainment of this objective.

4.5 Assessment against section 34(2)(d)

Section 34(2)(d) requires that the amendment be consistent with each State policy. There are currently three state policies operational in Tasmania that articulate the government's strategic policy direction. Additionally, the National Environmental Protection Measures (NEPMs) are taken to be State Policies.

The relevance of these policies to the proposed scheme amendment is addressed below.

4.5.1 State Coastal Policy 1996

The *State Coastal Policy 1996* applies to land within 1km of the coast. Some residential zoned areas affected by the proposed amendment would be in the coastal zone and therefore subject to the *State Coastal Policy 1996*.

However, the proposed amendment only seeks to change the status of a Visitor Accommodation use. It does not affect any development standards, change the extent of the urban area or the broader extent of development that may occur under existing zoning. On this basis it is considered that the proposed amendment will have no impact on the compliance of the Hobart LPS with the *State Coastal Policy 1996*.

4.5.2 State Policy on the Protection of Agricultural Land 2009

The proposed amendment relates to land zoned residential. Residential zoned land is not considered agricultural land for the purposes of the *State Policy on the Protection of Agricultural Land 2009*.

4.5.3 State Policy on Water Quality Management 1997

The *State Policy on Water Quality Management 1997* is applicable to all planning scheme amendments.

The proposed amendment is, however, considered to have no effect on water quality management issues within the Hobart LGA. It seeks to change the status of a Visitor Accommodation use in a residential zone and does not alter current development standards, any specific provisions within the State Planning Provisions or Hobart LPS relating to water quality management and will also not alter the broader extent of development that may occur under existing zoning.

On this basis it is considered that the proposed amendment will have no impact on the compliance of the Hobart LPS with the *State Policy on Water Quality Management 1997*.

4.5.4 National Environment Protection Measures

National Environmental Protection Measures (NEPMs) are statutory instruments given effect through the *National Environment Protection Council (Tasmania) Act 1995*. NEPMs specify national standards for various environmental issues. NEPMs are considered to be State Policies in Tasmania under section 12A of the *State Policies and Projects Act 1993*.

Seven NEPMs have been made to date that deal with:

- Ambient Air Quality
- Air Toxins
- Assessment of Site Contamination
- Diesel Vehicle Emissions
- Movement of Controlled Waste Between States and Territories
- National Pollutant Inventory
- Used Packaging Materials.

The proposed amendment has no impact on the compliance of the Hobart LPS with the NEPMs.

4.6 Assessment against section 34(2)(da)

Section 34(2)(da) requires the amendment to satisfy the relevant criteria of the Tasmanian Planning Policies (TPPs).

The TPPs were declared by the Minister for Planning on 12 November 2025 and come into effect on 1 July 2026. While technically not applicable to the draft amendment at this point in time, it is highly likely that this draft amendment, if certified, will not yet have been determined by the TPC at the time the TPPs come into effect. Therefore, they have been considered as part of this assessment.

The TPPs set out operative parts. Policy direction is provided under subheadings dealing with specific issues. Under each subheading there is an Application Statement, Objective and Strategies. The TPPs direct when implementing them that:

1. *There is no order or hierarchy associated with the TPPs.*
2. *No one TPP, policy or strategy should be read in isolation from another to imply a particular action or consequence.*
3. *The TPPs are generally not expressed in absolute terms and should not be interpreted or applied literally or rigidly that reasonable, alternate approaches to achieve a particular strategy are excluded from consideration.*
4. *Strategies that are relevant to the particular matter should be considered and implemented in the context of the objective that the strategy is seeking to achieve.*
5. *In determining what strategies are relevant to a particular matter, regard must be had to:*
 - a. *the nature of the particular matter being considered;*
 - b. *the purpose of the applicable planning instrument;*
 - c. *the Policy Application statement for each policy;*
 - d. *the scale at which the strategies are being applied (for example at a regional, local or site-specific level); and*
 - e. *the environmental, social and economic characteristics of the region, local area or site.*
6. *Where the implementation of relevant strategies into a particular instrument causes competing interests to arise, resolution should be based on balanced consideration and judgement derived from evidence, having regard to:*
 - a. *the overall purpose of the TPPs;*
 - b. *an understanding of the overall combination of interests expressed through the TPPs;*
 - c. *the objective of strategies that are subject to competing interests;*
 - d. *alternate ways to achieve strategies that are subject to competing interests;*
 - e. *any relevant and applicable regional or local planning policies;*
 - f. *any characteristics of the land, subject to the competing policy interests, that may influence how the competing interests can be resolved or managed;*
 - g. *consideration of the regional and local context and how competing interests can be appropriately integrated at the regional, local or site specific level; and*
 - h. *the purpose of the applicable planning instrument.*

4.6.1 Applicable policies

An assessment has been undertaken of the following Tasmanian Planning Policies:

- Settlement
 - Growth
 - Housing
- Sustainable Economic Development

- Tourism
- Planning Processes
 - Strategic Planning

A specific assessment has not been undertaken in relation to the other policies:

- As either the draft amendment does not seek to modify any planning scheme provisions that address these issues:
 - Environmental Values policies
 - Environmental Hazards policies
 - Cultural Heritage policies; or
- It has no effect on the issue dealt with under the policy:
 - Settlement policies in relation to:
 - Liveability
 - Social Infrastructure
 - Settlement Types
 - Design
 - Development Contributions
 - Sustainable Economic Development policies with the exclusion of tourism
 - Physical Infrastructure policies
- Planning Processes
 - Public Engagement

4.6.2 Settlement policies

4.6.2.1 Growth

Table 10 Response against clause 1.1.2 Objective

Objective	Response
<i>To plan for settlement growth that allocates land to meet the existing and future needs of the community and to deliver a sustainable pattern of development.</i>	The responsibility for meeting this objective is largely achieved through spatial strategic planning which is then implemented through the planning scheme. That said, the draft amendment seeks to protect existing housing stock in well-located areas to avoid further detrimental impacts on the accessibility and affordability of rental housing in particular. In this respect, the draft amendment corresponds to the objective.

Table 11 Response against section 1.1.3 Strategies

Strategy	Response
1.1.3.1 <i>Provide for at least a 15 year regional supply of land that is available, identified or allocated, for the community's existing and forecast demand for residential, commercial, industrial, recreational and community land to support</i>	The draft amendment does not have a substantive impact on a 15 year regional supply.

Strategy

Response

the economic, social and environmental functioning of settlements across the region.

1.1.3.2

Plan for growth that will:

- (a) prioritise and encourage infill development, consolidation, redevelopment, re-use and intensification of under-utilised land within existing settlements, prior to allocating land for growth outside existing settlements;*
- (b) prioritise the development of land that maximises the use of available capacity within existing physical and social infrastructure networks and services;*
- (c) integrate with existing or planned transport systems; and*
- (d) discourage the development of land that:
 - (i) is not well serviced by existing or planned physical and social infrastructure, or that is difficult or costly to service;*
 - (ii) is subject to environmental hazards where a tolerable level of risk cannot be achieved or maintained;*
 - (iii) has high environmental or landscape values;*
 - (iv) is agricultural land, especially land within the more productive classes of agricultural capabilities; or*
 - (v) is used for extractive industries or identified as strategic resource areas and deposits.**

The draft amendment ensures that well-located existing housing that is ideally positioned to maximise the proximity benefits to a wider range of households including those seeking affordable housing outcomes, is protected for residential use.

1.1.3.3

Identify regional settlement hierarchies and allocate growth scenarios to settlements based on:

- (a) population projections and forecast demographic change;*
- (b) the functional characteristics of the settlement and any specific role it plays in the State or region;*
- (c) the social, environmental and economic characteristics of the settlement;*
- (d) the availability of goods and services, including social infrastructure, to support the needs of the community;*
- (e) access to employment and training opportunities;*
- (f) efficient and accessible transport systems; and*
- (g) capacity and cost-efficient upgrading of physical infrastructure*

The draft amendment does not affect the regional settlement hierarchy and land allocated for growth in any strategic planning document or through the application of zones in the TPS.

1.1.3.4

Support the growth of settlements that is in accordance with their allocated growth scenario.

The City of Hobart is located within the Urban Growth Boundary for Greater Hobart under the Southern Tasmania Regional Land Use Strategy. The growth strategy for Greater Hobart is for a 50:50 infill to greenfield ratio split. Since the STRLUS was implemented, development has generally not achieved this desired growth outcome. The draft amendment helps to protect existing inner urban housing and in doing so reduces demand for greenfield housing. In addition the draft amendment has specifically provided for a permitted pathway for Visitor Accommodation

Strategy

Response

where it forms part of a residential infill development as a way to continue encouraging infill outcomes desired by the STRLUS.

While not a relevant statutory or strategic document within the planning system, the Greater Hobart Plan has similar objectives for growth as the STRLUS although a stronger proportion of infill. The draft amendment therefore also aligns with this document.

1.1.3.5

Actively address impediments to infill development, particularly in the major urban centres.

While the draft amendment does not arise because of impediments to infill development, it does seek to ensure that the planning scheme continues to encourage infill outcomes through planning permit applications by the specific permitted pathway provided for in A1(c) of the new use standard.

1.1.3.6

Promote the preparation of structure plans that provide for the effective planning and management of land use and development within a settlement, or part of a settlement, that, as a minimum, considers:

- (a) the identified values, physical constraints, environmental hazards, and the strategic context of the location;*
 - (b) urban or settlement growth boundary;*
 - (c) movement networks, including street hierarchy and pedestrian and cycling paths for active transport modes;*
 - (d) location of land for the purpose of residential, commercial, open space, recreation and community use and development, the relationship between uses and their positioning to limit or manage land use conflict;*
 - (e) any staging or sequencing of development of land;*
 - (f) the use of existing physical infrastructure and the logical and efficient provision of additional physical infrastructure; and*
 - (g) impacts on broader physical and social infrastructure, including health and education facilities, strategic transport networks, public transport services, stormwater, water and sewerage.*
-

The draft amendment does not affect the attainment of this strategy.

1.1.3.7

Create urban or settlement growth boundaries that clearly identifies the spatial extent of growth, including the allocation of sufficient land to meet projected growth.

The draft amendment does not affect the attainment of this strategy.

1.1.3.8

Land identified for proposed growth on land located outside an existing urban or settlement growth boundary must be strategically justified, based on:

- (a) projected population growth;*
- (b) site suitability, such as having regard to identified values, agricultural capabilities, physical constraints and environmental hazards;*

The draft amendment is not relevant to this strategy.

Strategy**Response**

- (c) regional and local land supply and demand analysis (including infill and greenfield);*
- (d) the extent of achieving infill targets and consideration of the release of greenfield sites within the existing urban or settlement growth boundary;*
- (e) existing physical and social infrastructure networks and services;*
- (f) supporting the regional settlement hierarchy; and*
- (g) preventing the distortion of growth strategies in other settlements.*

1.1.3.9

Identify the role and function of activity centres within settlements and encourage use and development that complements and supports that role and function.

The draft amendment does not affect the attainment of this strategy.

1.1.3.10

Encourage the concentration of commercial, administrative, major retail, entertainment and cultural use and development within activity centres that are highly accessible by public and active transport.

The draft amendment does not affect the attainment of this strategy. Indirectly, the draft amendment does encourage the concentration of tourism activity in non-residential zones and therefore alignments with encouraging concentration of activity in those centres.

1.1.3.11

Provide for and identify preferred development sequences in areas of growth to enable better coordination and more cost-effective planning and delivery of physical infrastructure including addressing impediments to the development of suitably zoned land (e.g. land banking).

The draft amendment does not affect the attainment of this strategy.

4.6.2.2 Housing

Table 12 Response against clause 1.5.2 Objective.

Objective**Response**

To provide for a sufficient supply of diverse housing stock, including social and affordable housing, that is well-located and well-serviced to meet the existing and future needs of Tasmanians.

The draft amendment supports this objective by ensuring that the planning scheme supports sufficient supply of diverse housing, and more specifically rental housing, in locations that are accessible to services and infrastructure.

Table 13 Response against section 1.5.3 Strategies.

Strategy**Response**

1.5.3.1

Provide the timely supply of land for housing in locations that are, or can be, easily connected to, and integrated with, the range of services including social and physical infrastructure, access to community, health and education facilities, public transport, and employment, consistent with the policy outcomes that deliver liveable settlements.

The draft amendment does not directly affect the attainment of this strategy. Indirectly the draft amendment aligns with this strategy as it supports supply of housing, particularly rental housing in well-located areas.

Strategy

Response

1.5.3.2

Supply land, including infill, reuse and greenfield sites, for housing that meets the projected housing demand, which is to be based on the best available evidence, to improve housing availability and affordability.

The draft amendment indirectly supports this strategy by protecting supply of housing, particularly rental housing in order to manage accessibility and affordability. This approach aligns with broader objectives to provide diverse, well-located, and well-serviced housing stock, catering to existing and future needs of the community.

1.5.3.3

Facilitate social and affordable housing to meet the needs of the community that is located close to services, employment and public transport networks.

The draft amendment aligns with this strategy. One of the key objectives for the draft strategy is to protect existing housing stock in residential areas, to manage affordability and provide greater levels of accessibility to affordable housing by a low to medium income households.

1.5.3.4

Plan and provide for a diverse range of quality housing types that meet the needs of the community by:

- (a) responding to demographic trends including changing household size and composition;*
- (b) supporting the provision of well-designed social and affordable housing;*
- (c) promoting good amenity through the provision of solar access and quality private open space relative to the density and location;*
- (d) catering for the ageing population, including facilitating ageing in place and providing for different levels of dependency and transitioning between them;*
- (e) catering for people requiring crisis accommodation;*
- (f) considering the needs of people living with disability, including the level of support and care required for different levels of dependent and independent living options; and*
- (g) supporting co-living scenarios to help address housing availability and affordability.*

The draft amendment aligns with this strategy. It specifically provides for the protection of rental housing stock in well-located residential areas.

1.5.3.5

Encourage higher density housing in suitable locations that:

- (a) have been identified for urban consolidation;*
- (b) are within close proximity to an activity centre;*
- (c) have good access to employment, social and physical infrastructure, open space and active and public transport networks;*
- (d) the potential impacts associated with increased residential density and land use conflict can be managed; and*
- (e) do not significantly impact environmental values and are not constrained by topography and environmental hazards.*

The draft amendment does not directly affect the attainment of this strategy. Indirectly it does ensure that the planning scheme continues to support higher density infill development by allowing for Visitor Accommodation in new developments where it is accompanied by a Residential use. This will assist in the feasibility of those forms of development due to the potentially higher incomes that can be yielded from Visitor Accommodation units.

4.6.3 Sustainable Economic Development policies

4.6.3.1 Tourism

Table 14 Response against clause 4.4.2 Objective

Objective	Response
<i>To promote the sustainable development of the State's tourism industry.</i>	The draft amendment is consistent with this objective. The current SPPs provisions for Visitor Accommodation has been demonstrated through the evidence outlined in this report and supporting documentation prepared by Professional Phibbs and SGS Economics and Planning has have a detrimental impact on housing supply. Sustainable development as defined under the planning system is focussed on balancing different land use needs. The draft amendment arises in order to ensure a better balanced between the competing needs of housing and the tourism industry, in a way that minimises impact on the visitor economy.

Table 15 Response against section 4.4.3 Strategies

Strategy	Response
4.4.3.1 <i>Identify existing and potential key tourism sites or destinations and investigate the role of these sites or destinations from a State, regional and local perspective to help plan where they are best located and how they can be sustainably developed, taking into consideration:</i> <i>(a) visitor demand and forecast trends of visitation across the State;</i> <i>(b) existing supply of tourism product, services and infrastructure;</i> <i>(c) appropriateness of the scale and nature of the tourism use;</i> <i>(d) the impact on the environmental, landscape, intrinsic and local character values of the place;</i> <i>(e) the use and development being displaced;</i> <i>(f) differentiating and enhancing Tasmania's appeal and competitiveness locally, nationally and internationally;</i> <i>(g) alignment with regional destination plans supporting the visitor economy;</i> <i>(h) the contribution to the local, regional and State economy; and</i> <i>(i) integration with the local community.</i>	The draft amendment does not affect the attainment of this strategy.
4.4.3.2 <i>Promote tourism use and development that protects, is compatible with and builds on the assets and qualities of the events, activities and attractions underpinning them.</i>	The draft amendment does not affect the attainment of this strategy.
4.4.3.3 <i>Manage visitor accommodation so it does not significantly impact the supply of housing for the local community.</i>	The draft amendment specifically responds to this strategy. It ensure that the provision of Visitor Accommodation use in the residential zones in the Hobart LGA does not have any further significant impact on the supply of housing, particularly affordable rental

Strategy

Response

housing, for the local community, as outlined in section 2.9 of this report.

4.4.3.4

Support diverse and innovative tourism experiences that are of a high quality, respect the environment and reflect the uniqueness of Tasmania.

The draft amendment does not affect the attainment of this strategy.

4.4.3.5

Facilitate the provision of infrastructure, housing and services, where appropriate, to support tourism and hospitality employees, to meet the demand for, and support the growth of, sustainable tourism use and development.

The draft amendment does not affect the attainment of this strategy.

4.4.3.6

Identify and promote the protection of attributes that attract and enhance tourism experience.

The draft amendment does not affect the attainment of this strategy.

4.4.3.7

Prevent the cumulative impacts of tourism use and development from unreasonably detracting from how the local community engages and identifies with their local surrounds.

The draft amendment specifically responds to the cumulative impact of Visitor Accommodation approvals in residential zones.

4.4.3.8

Promote growth and investment in recreational, art and cultural activities that attracts tourism growth and supports the local community's access to these facilities.

The draft amendment does not affect the attainment of this strategy.

4.4.3.9

Promote the integration of tourism infrastructure into activity centres to support and reinforce the economic function of activity centres.

The draft amendment does not affect the attainment of this strategy.

4.6.4 Planning Processes policies

4.6.4.1 Strategic Planning

Table 16 Response against clause 7.2.2 Objective

Objective

To encourage the strategic consideration of land use planning issues by promoting integrated and coordinated responses that balance competing social, economic, environmental and inter-generational interests to provide for the long-term sustainable use and development of land.

Response

The draft amendment aligns with this objective. It seeks to find an appropriate balance between providing for Visitor Accommodation in residential areas, while protecting existing dwellings from conversion in order to support accessible and affordable rental housing.

Table 17 Response against section 7.2.3 Strategies

Strategy

Response

7.2.3.1

Support the application of the precautionary principle where the implications of planning decisions on the environment, now and into the future, is not fully known or understood.

The draft amendment is consistent with this strategy. The evidence demonstrates that some detrimental impacts have occurred because of the current planning scheme provisions for Visitor Accommodation use in residential zones in the Hobart LGA, because of locally specific conditions. Progressing planning scheme changes to avoid further impacts is in accordance with the precautionary principle.

7.2.3.2

Promote the identification, establishment and implementation of long-term land use planning priorities, that are environmentally sound, to strengthen inter-generational equity, allowing future generations to have access to the resources they need.

The draft amendment does not affect the attainment of this strategy.

7.2.3.3

Strengthen the use of scientific-based evidence to make informed decisions about land use planning.

The draft amendment arises because of evidence regarding the impacts on the current planning scheme provisions for Visitor Accommodation use in the residential zones in the Hobart LGA.

7.2.3.4

Promote the integration and coordination of land use planning with population strategies and social and physical infrastructure planning.

The draft amendment does not affect the attainment of this strategy.

7.2.3.5

Promote collaboration and coordination between, and within, Commonwealth, State and local government to deliver integrated, efficient and effective planning outcomes.

The draft amendment does not affect the attainment of this strategy.

7.2.3.6

Facilitate coordinated approaches between public and private investment to achieve common planning goals.

The draft amendment does not affect the attainment of this strategy.

7.2.3.7

Adopt and implement best practice governance structures to provide strategic and innovative leadership within communities that will effectively inform land use planning.

The draft amendment does not affect the attainment of this strategy.

7.2.3.8

Promote the regular review of land use strategies so that they remain current, adaptive and responsive to planning issues as they arise.

The draft amendment does not affect the attainment of this strategy.

4.6.5 Summary

When considered collectively, the draft amendment demonstrates that the relevant criteria under the TPPs, assuming that the criteria are taken to mean the objectives and the strategies. The draft amendment specifically furthers strategies in the Settlement Policies (1.1.3.2 and 1.1.3.4 under Growth and 1.5.3.2, 1.5.3.3 and 1.5.3.4 under Housing), Sustainable Economic Development policies (4.4.3.3 and 4.4.3.7 under Tourism) and Planning Processes policies (7.2.3.1 and 7.2.3.3 under Strategic Planning).

The amendment does not otherwise hinder the attainment of other policies. The draft amendment reinforces a balanced approach between competing land use demands as encouraged by the TPPs.

4.7 Assessment against section 34(2)(e)

Section 34(2)(e) requires the amendment, as far as practicable, be consistent with the regional land use strategy that applies to the area, being the *Southern Tasmania Regional Land Use Strategy* (STRLUS).

An assessment has been undertaken against the current STRLUS. It is acknowledged that the STRLUS is subject to a review and a new draft has been recently made available for public comment. An assessment has not been made against the draft due to the stage of the review process it is currently at.

4.7.1 Strategic directions

The STRLUS seeks to manage growth by directing development to appropriate locations, making efficient use of existing infrastructure, and avoiding dispersed or ad hoc outcomes. In particular, Strategic Direction SD2, Holistically Managing Residential Growth, emphasises that residential land supply considers affordability and locational options. The draft amendment, while it will not have a substantive impact on managing residential growth at a regional or metropolitan scale, aligns with this direction by protecting existing well-located housing supply, rather than enabling incremental conversion of existing dwellings in residential areas with cumulative detrimental impacts on accessibility and affordability.

The draft amendment also aligns with Strategic Direction SD3, Creating a Network of Vibrant and Attractive Activity Centres. By encouraging new visitor accommodation to non-residential zones, the amendment supports the role of activity centres as focal points for economic activity, including tourism-related uses.

In addition, the draft amendment is consistent with the Tourism Regional Policies, particularly Policy T1, which supports innovative and sustainable tourism development while protecting residential amenity and local character. The amendment enables visitor accommodation in appropriate zones, while maintaining controls to manage amenity impacts and avoid conflict with established residential communities.

Overall, the draft amendment gives effect to the Regional Land Use Strategy by balancing tourism growth with settlement strategy objectives, infrastructure efficiency, and long-term liveability outcomes.

4.7.2 Regional policies

It is considered that there are limited implications in relation to regional policies under the STRLUS. This is because the scale of impact arising from the draft amendment does not have a substantive impact at the metropolitan or regional scale. Policies are, however, addressed in Table 18 below.

Table 18 Response to policies under STRLUS

Regional policies	Response
Biodiversity and geodiversity	The draft amendment has no effect on the attainment of the policies relating to biodiversity and geodiversity.
Water resources	The draft amendment has no effect on the attainment of the policies relating to water resources.
The coast	The draft amendment has no effect on the attainment of the policies relating to the coast.

Regional policies	Response
Managing risks and hazards	The draft amendment has no effect on the attainment of the policies relating to managing risks and hazards.
Recreation and open space	The draft amendment has no effect on the attainment of the policies relating to recreation and open space.
Social infrastructure	The draft amendment has no direct effect on the attainment of the policies relating to social infrastructure. It is, however, noted that these policies encourage the distribution of social housing in areas with good public transport accessibility or in proximity to employment, education and other community services. The draft amendment, by protecting existing housing supply and in particular rental housing – which forms an important part of the housing continuum – does generally align with the desired outcomes expressed in policy Sl.2.
Physical infrastructure	The draft amendment has no effect on the attainment of the policies relating to physical infrastructure.
Land use and transport integration	The draft amendment has no direct effect on the attainment of the policies relating to land use and transport integration. It is, however, noted that these policies encourage planning systems that support accessibility and, in this respect, the draft amendment broadly aligns with the desired outcomes expressed in policy LUT1.1.
Tourism	<p>There are seven specific tourism policies in the STRLUS. The draft amendment does not affect the attainment of these as follows:</p> <p>T1.1 is not relevant as the draft amendment does not relate to protecting and enhancing authentic and distinctive local features and landscapes.</p> <p>T1.2 is not relevant as the draft amendment does not relate to the identification and protection of regional landscapes.</p> <p>T1.3 is not relevant as the draft amendment does not affect the status of Visitor Accommodation use class in the Rural or Agriculture zones.</p> <p>T1.4 is not substantively affected. Housing in the Hobart LGA is generally not holiday homes, and the evidence put forward for this draft amendment aligns with the fact that it is long-term housing which is being primarily affected. In any event, the draft amendment does not affect existing exemptions for genuine home sharing.</p> <p>T1.5 is not relevant as the draft amendment does not affect the status of Visitor Accommodation use class in commercial and business zones.</p> <p>T1.6 and T1.7 are not relevant as the draft amendment does not relate to particularly innovative or responsive tourism use and development.</p>
Strategic economic opportunities	The draft amendment has no effect on the attainment of the policies relating to strategic economic opportunities.
Productive resources	The draft amendment has no effect on the attainment of the policies relating to productive resources.
Activity centres	The draft amendment has no direct effect on the attainment of the policies relating to activity centres. It is, however, noted that by limiting short stay accommodation supply in residential areas, it encourages further provision in non-residential areas, which broadly aligns with providing vibrant activity centres.

Regional policies

Response

Settlement and residential development

The draft amendment has no direct effect on the attainment of the policies relating to settlement and residential development.

The policies under SRD.1 and SRD.2 are focused on managing residential growth and residential use and development at the regional and metropolitan scale, rather than the local scale at which this draft amendment would operate.

That said, the draft amendment does broadly align with ensuring sufficient housing supply capable of meeting projected demand.

4.8 Assessment against section 34(2)(f)

Section 34(2)(f) requires an amendment to the LPS to have regard to strategic plans, prepared under section 66 of the *Local Government Act 1993*, that apply to the local government area.

The City of Hobart's Capital City Strategic Plan was endorsed in 2023. The draft amendment supports the *Capital City Strategic Plan 2023*, particularly the Built Environment and City Economies pillars. The plan identifies housing affordability, housing availability and the impacts of population growth as key challenges for Hobart and recognises the importance of maintaining liveable neighbourhoods that support community wellbeing, workforce participation and access to services.

By limiting further conversion of whole dwellings to visitor accommodation in residential zones, the amendment seeks to protect existing rental housing stock in well-located areas close to jobs, services and activity centres. This aligns with the plan's objective to support a diverse supply of housing and to respond to homelessness and housing stress, while managing growth in a way that maintains Hobart's human scale, character and sense of place.

The amendment also supports a resilient city economy by recognising the ongoing role of tourism, while directing new visitor accommodation to appropriate locations such as business and mixed use zones and to new developments where there is no net loss of dwellings. In doing so, it reflects the Strategic Plan's emphasis on balanced growth, integrated land use planning and long-term city liveability.

4.9 Assessment against section 34(2)(g)

Section 34(2)(g) of the LUPA Act requires an amendment to be, as far as practicable, both consistent with and coordinated with any LPSs that apply to municipal areas that are adjacent to the municipal area to which the relevant planning instrument relates.

Hobart is adjacent to the following municipalities:

- Clarence.²⁰
- Glenorchy
- Kingborough.

Each of the above municipalities, except for Kingborough, has an LPS that is operational.

²⁰ Clarence is not directly adjoining but adjacent has been taken to mean 'nearby'.

The proposed amendment is for the inclusion of locally specific provisions in the form of a SAP. It does not alter the existing zoning of the land and is not impacted by, nor will it have an impact on, the operation of an adjoining LPS.

4.10 Assessment against section 34(2)(h)

Section 34(2)(h) requires the amendment to have regard to the safety requirements set out in the standards prescribed under the *Gas Safety Act 2019*. The amendment has no impact on the ability to achieve these safety requirements.

5 Conclusion

The draft amendment seeks to include a new SAP in the Hobart LPS to substitute the use standard for the Visitor Accommodation use class in the General Residential Zone, Inner Residential Zone and Low Density Residential Zone of the SPPs.

The SAP specifically seeks to prohibit Visitor Accommodation use class in those zones where it results in the loss of an existing residential dwelling through conversion or its replacement in a new development. It does not affect genuine home-sharing opportunities, where Visitor Accommodation is provided in new development in the residential zones. In new development this is contingent on the same number of dwellings as Visitor Accommodation unit and no net loss of residential dwellings. Visitor Accommodation will also continue to be allowable in all other zones in the Hobart LGA. The SAP also does not affect the current local provisions relating to Visitor Accommodation in the Battery Point SAP, which has existing locally specific planning provisions.

This report demonstrates that the proposed amendment to the Hobart LPS has a clear and reasonable planning basis. The evidence confirms that since the introduction of the current Visitor Accommodation provisions through Interim Planning Directive No. 2 in the first instance (and now the SPPs) there has been a material increase in the conversion of long-term rental dwellings to short stay visitor accommodation within residential zones of the Hobart LGA. This has occurred in the context of an already constrained rental market, where low vacancy rates mean even modest losses of rental stock have a disproportionate effect on affordability and housing availability. The causes of this arise because of the unique spatial, social and economic conditions in the LGA arising from its capital city role, the qualities of well-located residential land close to the largest activity centre in the State, and its popularity for visitors to Tasmania.

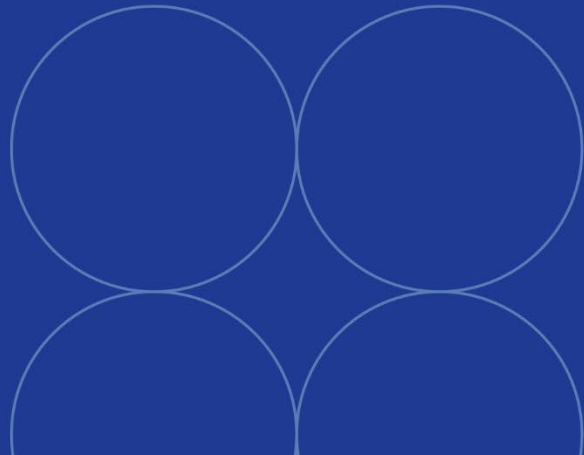
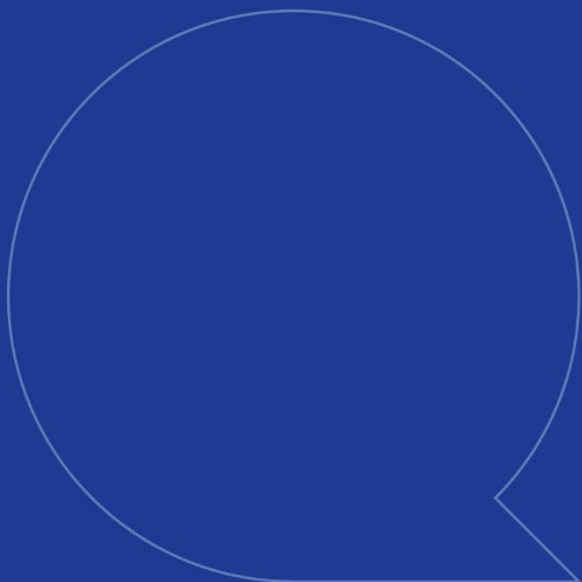
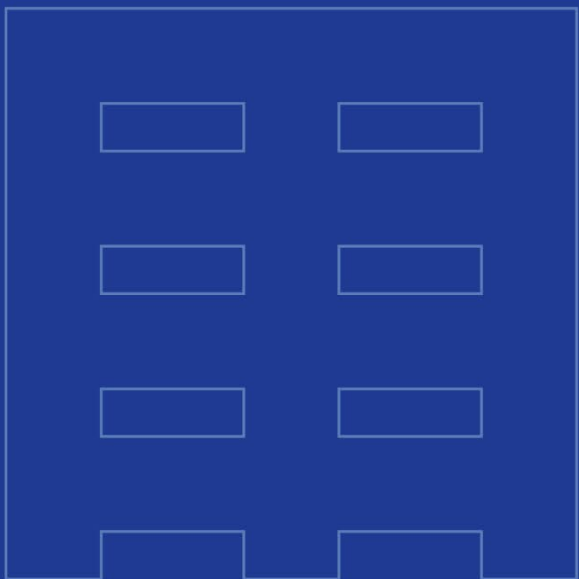
The analysis shows that the primary impacts of this trend are borne by residents, particularly households reliant on an affordable private rental market, and by the broader housing system through increased pressure on social and community housing. These impacts undermine the intended role and function of residential zones and contribute to wider social and economic challenges, including workforce accessibility, equity of access of well-located housing options, and community stability.

The proposed amendment responds to these issues in a targeted and proportionate manner. It does not seek to restrict tourism activity across the municipality, nor does it affect existing lawful uses, but instead redirects future visitor accommodation supply to more appropriate locations or development forms. Home-sharing and holiday-letting exemptions under the SPPs are retained, and the Visitor Accommodation use class continues to be supported in non-residential zones and through new developments where there is no net loss of dwellings. This ensures that the visitor economy can continue to operate and adapt, while reducing ongoing loss of residential housing stock in well-located areas.

Overall, the amendment represents a balanced planning response that aligns with the objectives of the Resource Management and Planning System. It is evidence-based, locally responsive and coordinated with the statutory planning framework. On this basis, the draft amendment is considered to satisfy the relevant legislative criteria and to warrant certification and progression through the planning scheme amendment process.

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