

ISSUE 1902

“In Support of Progress”

Newsletter

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A Planning Matter
Backpackers
Infrastructure spending

Planning

Maybe someone can help me, because I am confused. Even though the good news story is that the economy is showing signs of continuing strength - defying a national trend - we are suffering a significant housing crisis, and a traffic crisis. “Growing pains”, we are told.

A number of solutions have been proposed to resolve these crises, such as inner-city medium density housing, a northern suburbs light rail service, encouraging “growth” along its corridor, and improved public transport, presumably buses and ferries.

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Mmm. Sounds like a plan. An integrated approach to resolve these issues. So far so good,

At the same time that the government realised it had a housing crisis – about a year ago now - the university realised it also had a housing crisis. The sale of property around the campus had led to a situation where there was no longer enough accommodation for its students. Private landlords were going AirBnB, rents were skyrocketing, and students were leaving town.

The Uni acted quickly. It built new accommodation in town, and has purchased two inner-city hotels. Smart. It has also sought planning approval to build a new “college” at the back of the campus, using old re-modelled shipping containers. Good thinking – rapid response.

The government, after an equivalent period of time -about a year - has now announced it will soon release blocks of land for housing. Not inner-city land, not a redevelopment of North Hobart car yards, no, no, nothing like that. Outer suburbs land.

It will take some years to actually have housing on these blocks as the houses still need to be built, but hey, a big decision has been made.

Actually, maybe I'm being a bit unfair. the government has done more than that. According to the Minister:

“The Government is addressing supply issues by progressing our 10-year Affordable Housing strategy to assist more people into affordable rentals and build more social and affordable dwellings”.

So, a 10 year “Strategy” to resolve a current crisis. Sounds impressive, don't you think, but I sense a disconnect. What does the plan actually entail, and how does it help the immediate problem? A part of that plan has been to introduce a scheme to subsidise landlords who make their properties available for some of the 3000 people on the waiting list for public housing. So far 34 properties have been accepted. A way to go yet, methinks.

Plus, the Minister is pleased to see building approvals are up and calling on Councils to play their part. Now that, Minister, is simply sitting on your hands, hoping someone else will solve your problem.

Surely you can do better than that! Maybe you could ask the Uni for help?

Meanwhile, while the government advisers had their heads down coming up with this "strategy", other gnomes were grappling with the traffic issue. The government has taken over the city's dual carriageway, enabling a more "co-ordinated" approach – presumably controlling traffic lights. However, the head of the MTT - the operators of the public bus service - reportedly stated she would not allow her bus routes to be cannibalised to allow the introduction of a ferry service (even though she would probably be responsible for running a public ferry service), only to then cannibalise her own existing bus routes by reducing bus services to some of Hobart's outer suburbs, in the name of efficiency.

So instead of resolving the housing crisis through inner city redevelopment we are now encouraging a further move to the outer suburbs, while at the same time reducing public transport services, thereby exacerbating an already critical traffic crisis.

Go figure!

The Backpacker Tax

I raised this matter a number of times when the matter first arose, back in 2016. Basically, backpackers come in on short term visas, and work for short periods of time, in agriculture and tourism. The same applies for seasonal workers.

Originally, backpackers were paying no tax until they reached an income of \$18,200, after which they would pay 19%. A bit like everyone else.

The government did not believe this was proper, and wanted to change the law. It originally proposed a figure of 32.5% from dollar one, (as if backpackers were making that much money – a joke) but finally moved to 19% under pressure, clawing back a 95% super grab and an increase in the departure tax.

After much argie bargie and deal making, at the last minute, parliament finally agreed on a 15% tax rate, a super grab of 65% (essentially a further tax on the employer), and a \$100 million payment to Landcare in order to get Greens support.

The government's ideological position of principle was simple – backpackers should pay tax from dollar 1. Labor's ideological position of principle was also simple. Jobs should be available to Australians first. Both have entirely missed the point. Both have looked at the issue through too narrow a lens. Both lose.

The backpackers have not come as they once did, and those reliant industries are now suffering significant skill and labour shortages. Australians have not picked up the slack. Jobs go begging. Fruit has been left to rot in the paddock. The farmers suffer, the local communities suffer, the economy suffers.

It's a classic lose lose lose – it's just so silly.

Infrastructure

When government spends money on projects, one would hope that it spends that money within the state, where and when it possibly can. Local businesses should not be overlooked, in fact they should be encouraged to tender for work.

And they should be awarded that work if they have the competencies to do it. After all, a Tasmanian dollar spent in Tasmania does a lot more for the economy than a Tasmanian dollar spent elsewhere.

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