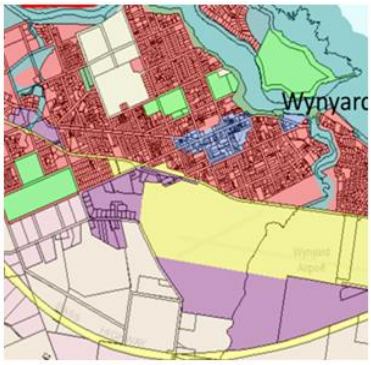
Liveable Waratah-Wynyard

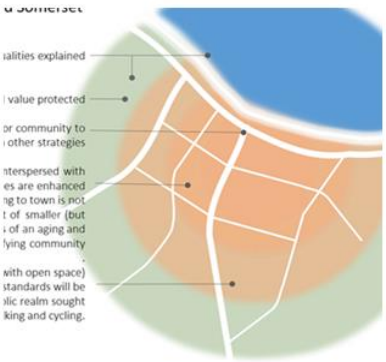
Appendix 4 Supply and Demand Analysis

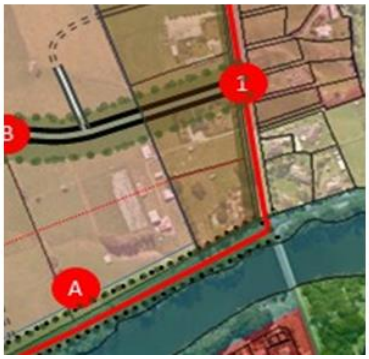


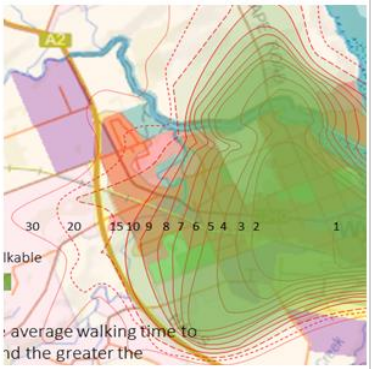








Draft 13 November 2020

Introduction

This report has been prepared to assist in the preparation of the Liveable Waratah-Wynyard Settlement Strategy. In particular it is intended to identify whether Wynyard, Waratah, Somerset, Sisters Beach, Boat Harbour Beach or Yolla have adequate land to meet anticipated demands up to 2040. This information assists the strategy by identifying if additional land needs to be rezoned and if so how much land needs to be rezoned to meet these needs. It also assists the strategy by identifying the modifiable variables that influence demand and so helps to determine the levers that can be pulled to achieve the Tasmanian Governments population aspirations.

The report is in five parts. This part introduces the study and explains what it covers and seeks to understand. The second part outlines the key characteristics of the community that will influence future needs and demands. The third part looks at the demands created by that community and the fourth part considers the capacity of the existing supply of land to meet those demands into the future. The fifth and final part summarises the implications of the analysis for the Settlement Strategy.

The assessment models a number of scenarios based on past trends modified to consider the impact of extant and emerging influences and provides a commentary on the factors that may cause a departure from these scenarios. These influences on supply and demand are both qualitative and quantitative, relating to objective physical considerations (such as topography, servicing and accessibility limitations and lot fragmentation) and subjective ones (such as consumer sentiment). Consequently, both have been considered as far as can be confidently determined.

The scope is the towns of Wynyard, Waratah, Somerset, Boat Harbour Beach, Sisters Beach and Yolla and in those towns the following zones:

1. General Residential Zone
2. Urban Mixed-Use Zone
3. Low Density Residential Zone
4. Village Zone
5. Industrial Zones
6. Business Zones
7. Commercial Zone
8. Rural Living Zone (contiguous with settlements listed above plus isolated pockets)

1.1.1 Data Collection

In preparing this report the following reports and materials have been considered and taken into account:

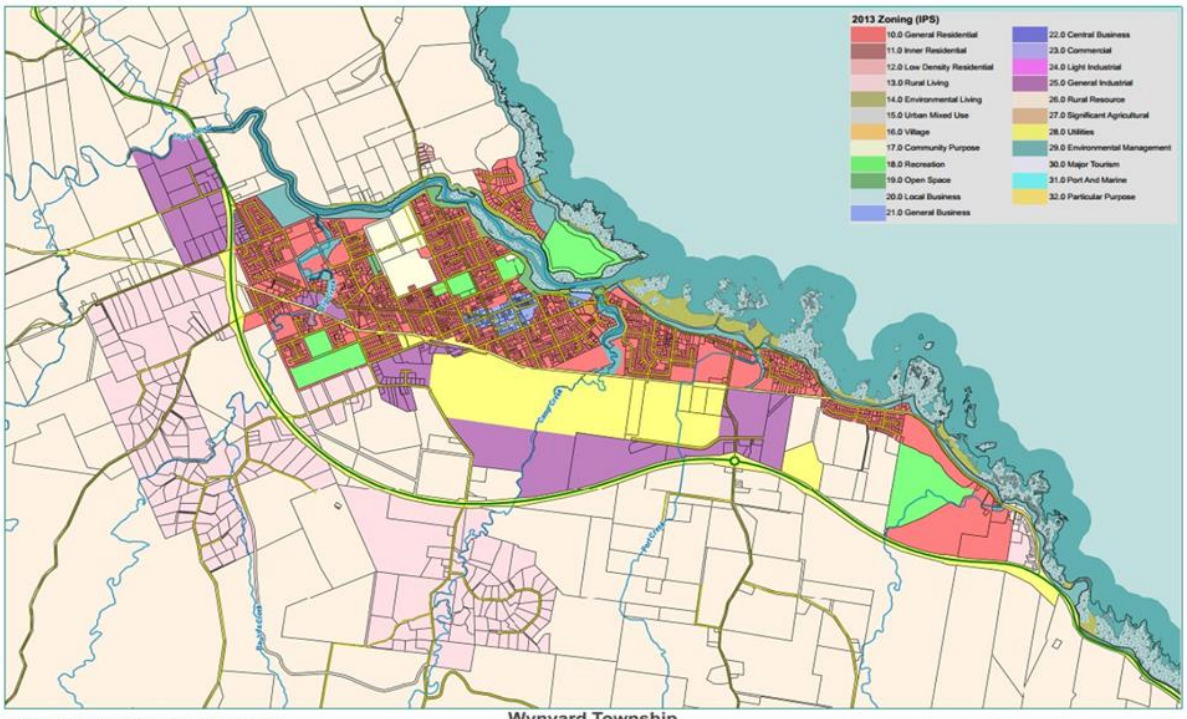
- Cradle Coast Regional Land Use Strategy (CCRLUS)
- Sustainable Murchison
- Interim Planning scheme
- Draft Local Planning scheme
- Australian Bureau of Statistics
- Interviews with several local real estate agents
- Surveys through social media of prospective and recent incomers to the area

Statistical information regarding the land supply was obtained through the use of GIS software, with base data from Council.

1.2 Statistical Classification

Waratah-Wynyard comprises three distinct Statistical Local Areas (SLA's); Waratah, Wynyard and Somerset and within those SLA's six urban localities.

1.3 Maps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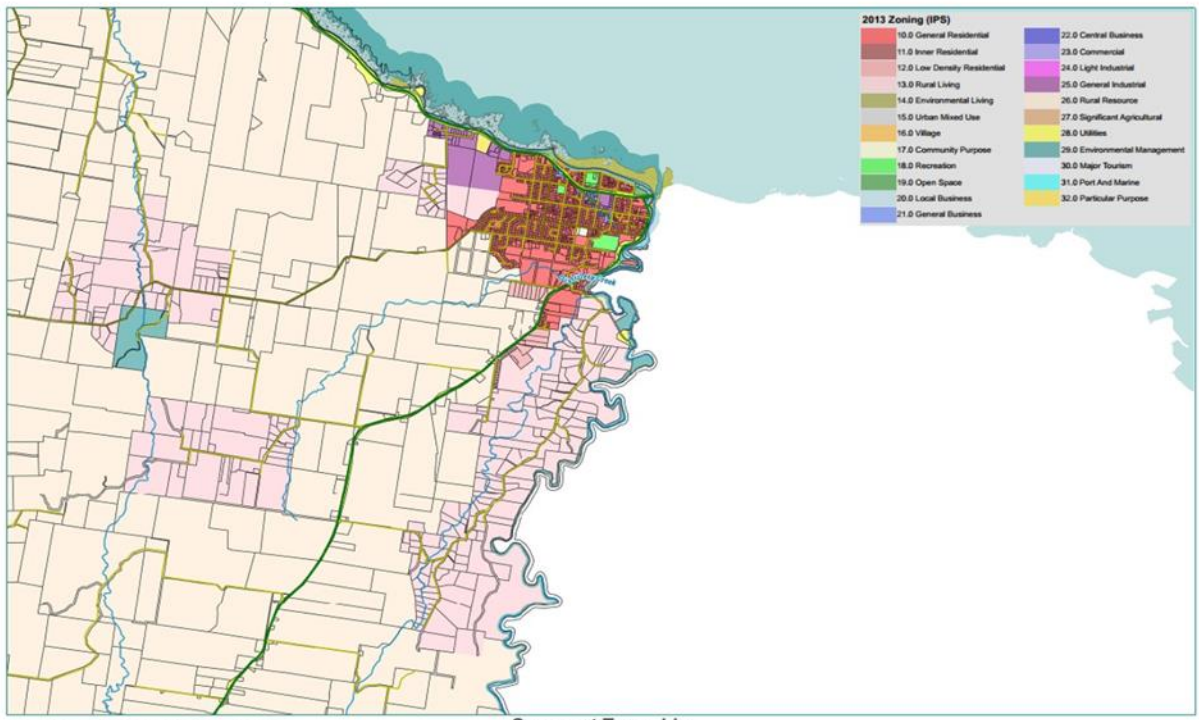
14.0 Environmental Living
15.0 Urban Mixed Use
16.0 Village
17.0 Community Purpose
18.0 Recreation
19.0 Open Space
20.0 Local Business
21.0 General Business
22.0 Central Business
23.0 Commercial
24.0 Light Industrial
25.0 General Industrial
26.0 Rural Resource
27.0 Significant Agricultural
28.0 Utilities
29.0 Environmental Management
30.0 Major Tourism
31.0 Port And Marine
32.0 Particular Purpose
Wynyard Township
(Showing 2013 IPS Zoning)
WARATAH WYNYARD
Printed On: 14 Oct 2020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25.0 General Industrial
26.0 Rural Resource
27.0 Significant Agricultural
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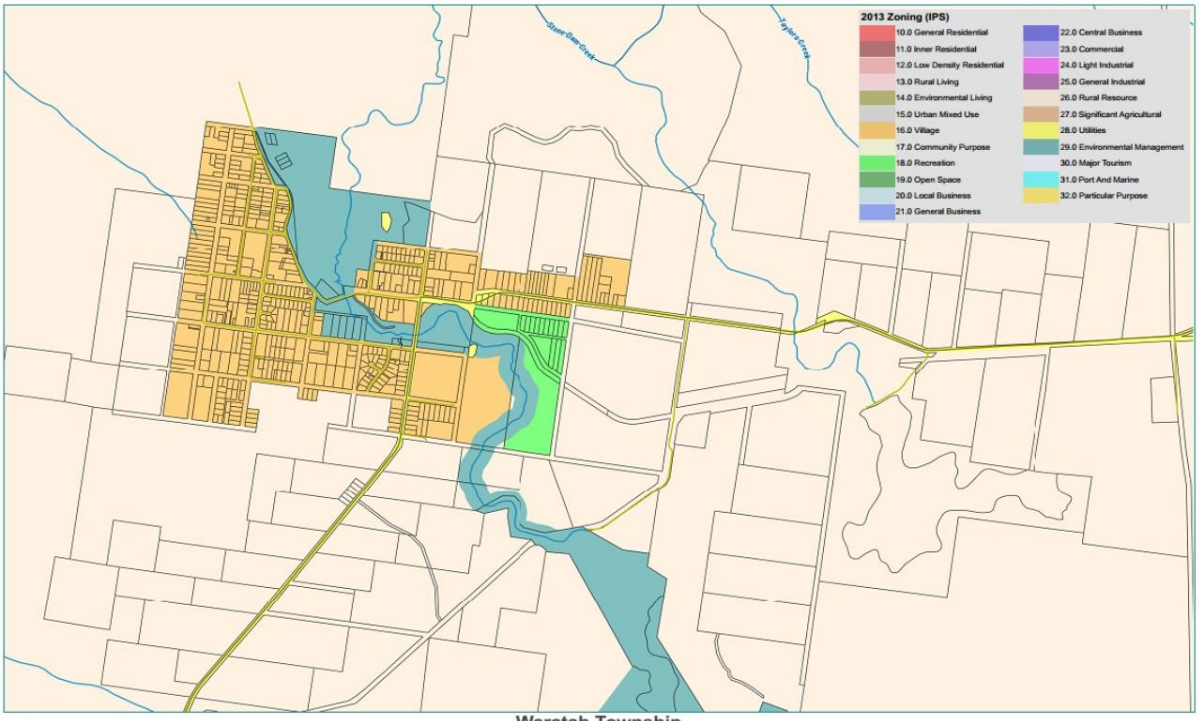
31.0 Port And Marine
32.0 Particular Purpose
Somerset Township
(Showing 2013 IPS Zoning)
WARATAH WYNYARD
Printed On: 14 Oct 2020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27.0 Significant Agricultural
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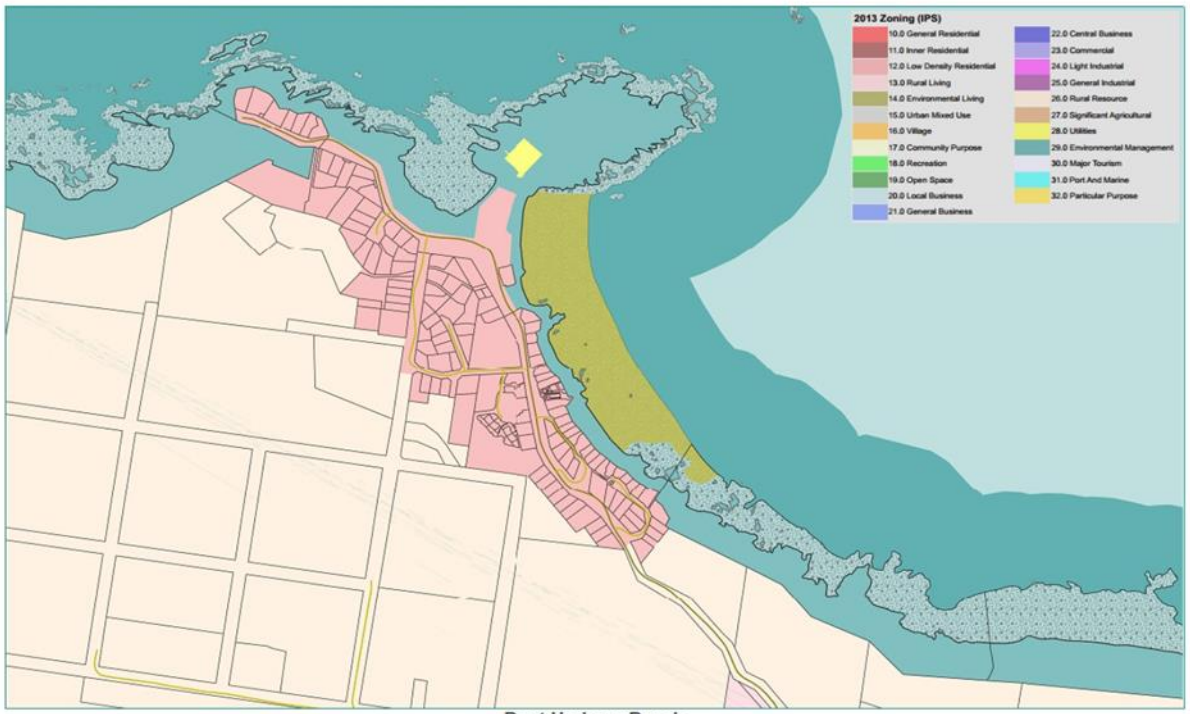
32.0 Particular Purpose
Waratah Township
(Showing 2013 IPS Zoning)
WARATAH WYNYARD
Printed On: 14 Oct 2020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18.0 Recreation
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21.0 General Business
22.0 Central Business
23.0 Commercial
24.0 Light Industrial
25.0 General Industrial
26.0 Rural Resource
27.0 Significant Agricultural
28.0 Utilities
29.0 Environmental Management
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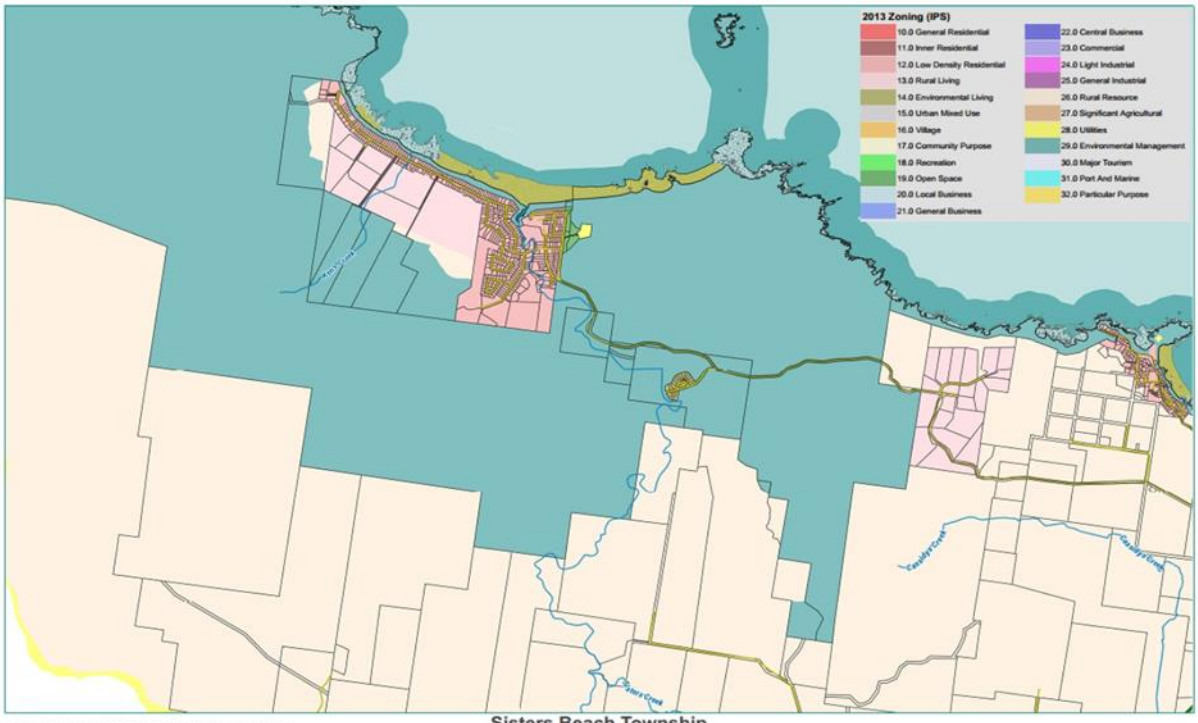
31.0 Port And Marine
32.0 Particular Purpose
Boat Harbour Beach
(Showing 2013 IPS Zoning)
WARATAH WYNYARD
Printed On: 14 Oct 2020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23.0 Commercial
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28.0 Utilities
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Sisters Beach Township
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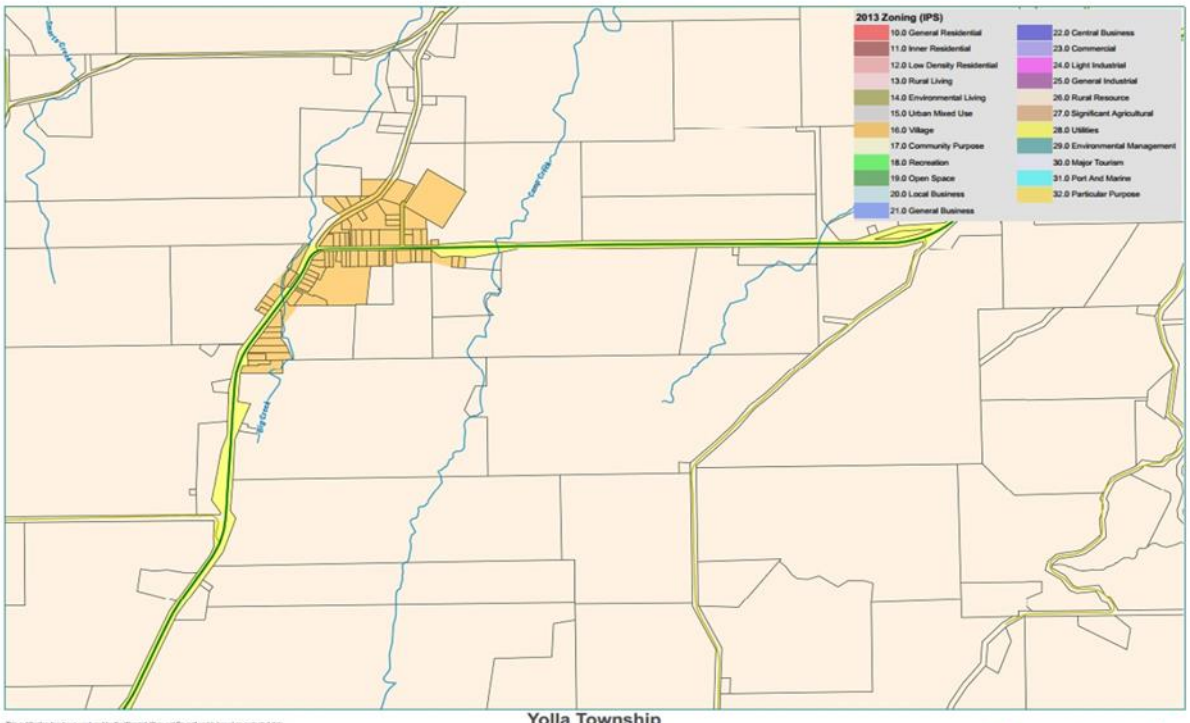
WARATAH WYNYARD
Printed On: 14 Oct 2020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13.0 Rural Living
14.0 Environmental Living
15.0 Urban Mixed Use
16.0 Village
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20.0 Local Business
21.0 General Business
22.0 Central Business
23.0 Commercial
24.0 Light Industrial
25.0 General Industrial
26.0 Rural Resource
27.0 Significant Agricultural
28.0 Utilities
29.0 Environmental Management
30.0 Major Tourism
31.0 Port And Marine
32.0 Particular Purpose
Yolla Township
(Showing 2013 IPS Zoning)
WARATAH WYNYARD
Printed On: 14 Oct 2020

1.4 Assumptions

The primary assumptions upon which this supply and demand analysis are based are:

All land in the zones described above is appropriately in that zone and so can and should be said to contribute to land supply.

That zonings align with market segments and consequently zonings can be fine-tuned to relate supply more closely to demand for that market segment.

The assumptions upon which the scenarios are based to determine supply and demand are documented in the relevant chapters.

1.5 Limitations

Given the complexity of supply and demand, influenced as it is by so many variables, no study can capture all of the elements of the property market in its entirety. Much of the base information is inherently backward looking, drawing on past events that soon become outdated. The data upon which this report is based has been drawn from a number of sources by a number of agencies using different methodologies and study areas and were collected at different times. Where possible multiple means of confirming findings were employed to increase confidence in the findings but ultimately the findings are only as good as the information upon which it is based.

Furthermore, the further we project into the future the greater those variables are likely to be, both because existing factors may change in their relative impact or new changes may influence the market that are at the moment unknown. Ten years ago who could have foreseen and accurately predicted COVID 19 and its impact on the economy. Consequently, while this report draws on accurate historical information, the methods used to analyse housing data cannot be expected to be entirely accurate for a variety of reasons. These factors and their implications on the Settlement Strategy are explored in more detail in chapters 3, 4 and 5 of this report.

2 Waratah-Wynyard profile

2.1 The place

Waratah-Wynyard occupies 352,862ha in the North West of Tasmania. The municipality's major settlements form part of a chain of economically and socially interconnected settlements aligned along the coast where they enjoy world renowned natural beauty and good connections to the outside world. As noted in the CCRLUS it is a place where towns and villages exist near the coast with an expansive wilderness and highly productive renewable and non-renewable natural resources amongst its many assets. Rural land is used largely for dairy farming, vegetable growing, and horticulture and timber production. Mining and tourism are also important industries. The Region contains a variety of accessible natural and cultural landscapes which supports distinctive ecological and cultural values and provide the foundation for an enviable lifestyle.

2.2 Housing stock

According to the ABS[1] there are 6,599 dwellings throughout the municipality. According to Waratah-Wynyard records a total of 4951 of these dwellings are in the residential zones in suburbs or localities and a further 73 are in non-residential zones that are covered in this report. Thus, there are 5024 dwellings in the towns and villages of the municipality as shown below in figure 1, which represents approximately 75% of the housing stock.

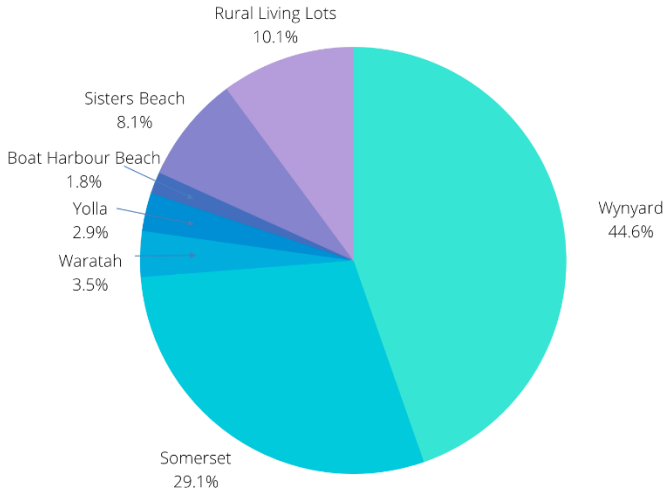

Figure 1 Distribution of dwellings in the towns and villages in this strategy

However not all of these are occupied for a variety of reasons. Across the municipality a total of 911 or 14.5% were unoccupied on census night. This is a higher proportion of unoccupied dwellings than the Tasmanian average (14%) and significantly higher the Australian average of 11.2%.

Of the occupied private dwellings, the clear majority (92.0%) were separate houses, this is higher than the Tasmanian average of 87.6% and the Australian average of 72.9%. Of the occupied private dwellings 4.3% had 1 bedroom, 19.8% had 2 bedrooms and 52.1% had 3 bedrooms.

In the municipality the average number of bedrooms per occupied private dwelling was 3 and the average household size was 2.3 people. This is in line with the average throughout Tasmania but is a smaller household size than Australia as a whole where the average household was 2.6 people.

However, this picture varies significantly between settlements (figure 2). In Wynyard 89.6% of the 2,289 private dwellings were occupied and 10.4% were unoccupied. According to the ABS, of the occupied dwellings a clear

[1] https://quickstats.censusdata.abs.gov.au/census_services/getproduct/census/2016/quickstat/UCL614002?opendocument

majority of these (88.4%) were detached dwellings, 5.4% had 1 bedroom, 24.3% had 2 bedrooms, 52.1% had 3 bedrooms and 16% had four or more. The average number of bedrooms per occupied private dwelling was 2.8. The average household size was 2.2 people.

In Somerset there were 1,493 dwellings. Of these 90.3% of private dwellings were occupied and 9.7% were unoccupied. Nearly all of the occupied dwellings (90.3%) are detached dwellings. 4.8% of the dwellings in Somerset had 1 bedroom, 20.5% had 2 bedrooms and 54.5% had 3 bedrooms and 17% had 4 or more rooms. The average number of bedrooms per occupied private dwelling was 2.9. The average household size was 2.3 people.

In Waratah there were 177 dwellings. Of these 63.6% of were occupied and 36.4% were unoccupied. Of the occupied dwellings were overwhelmingly detached dwellings (92%), 24.8% had 2 bedrooms and 47.6% had 3 bedrooms. The average number of bedrooms per occupied private dwelling was 2.8. The average household size was 1.9 people.

In Yolla there were 149 dwellings. Of these 87% were occupied. They are nearly exclusively detached dwellings (97.5%). Of the occupied private dwellings 4.3% had 1 bedroom, 14.0% had 2 bedrooms, 53.7% had 3 bedrooms and 32% had 4 bedrooms or more. The average number of bedrooms per occupied private dwelling was 3.2. The average household size was 2.4 people.

In Boat Harbour Beach there were 83 dwellings with an average household size of 1.7 people in each of the occupied dwellings. On site observation suggests these are almost exclusively detached dwellings. Privacy issues have meant that more detailed conclusions were not published by the ABS. However, given that 82 dwellings could house 139 people if all were occupied at the rate of the ones that were occupied, it is safe to assume almost half of them were unoccupied at census night.

In Sisters Beach there were 416 dwellings. They are all detached dwellings. Less than half the dwellings were occupied on census night. Of the occupied private dwellings 4.4% had 1 bedroom, 15.1% had 2 bedrooms, 52.2% had 3 bedrooms and 26.4% had 4 or more bedrooms. The average number of bedrooms per occupied private dwelling was 3.1. The average household size was 2.2 people.

On land zoned Rural Living, some of which adjoins a settlement and some of which exists in isolated pockets there are 520 dwellings. Assuming all RLZ dwellings reflect the same characteristics as Boat Harbour (selected because that suburb has a high proportion of properties in the RLZ and thus the ABS suburb data would most accurately reflect RLZ housing) 86% of dwellings were occupied, the average number of bedrooms per occupied private dwelling was 3.5 and the average household size was 2.6 people.

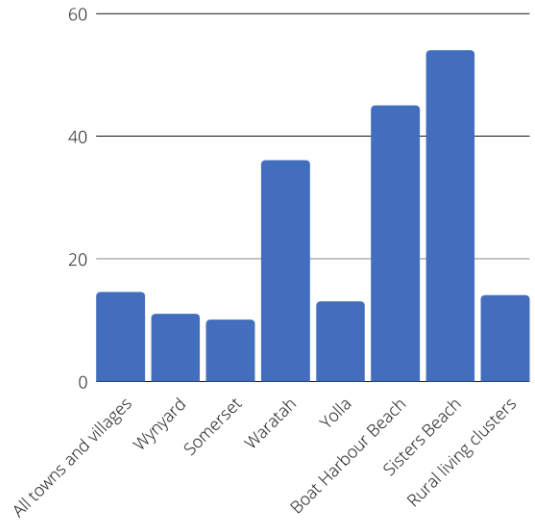

Figure 2 proportion of vacant dwellings on census night in the towns and villages of the municipality

2.3 The people

The population in the wider region has been in a gradual decline but has been relatively stable in the municipality which has experienced oscillating small waves of growth and decline. Between 1991 and 2001 this decline proceeded at an average annual rate of 0.5%. This rate of decline remained roughly constant throughout the period 2001 to 2005, leaving a population of 13,313 persons in 2005. Between 2006 and 2011, the population grew with an average annual growth rate of 0.4% and in 2011 sat at 13,707. Since then there has been no significant change in the population. In 2019 it has been estimated at 13,828, having grown by 31 from the previous year.

This population is relatively settled, only 34.5% have moved in the last 5 years. Whereas in Australia as a whole 47.6% had moved during this period[2].

2.3.1 Trends

Looking to the future, the Tasmanian Governments population estimates project that the population of Waratah-Wynyard will decline to 12000 in 2040, an annual loss of 0.6% (Department of Treasury 2019) and similar scenarios were adopted in the CCRLUS. However the Sustainable Murchison Plan notes that despite being based on a relatively robust, well-tested forecasting methodology, the State (trend-based) projections for the region are not designed to model economic fluctuations. As borne out by other remote regions with a high proportion of people in the workforce, these economic fluctuations can have a significant impact on population. This happens as boom or bust conditions draw more people in or forcing them away in search of work. The Sustainable Murchison Plan notes that the potential for economic growth provides a pathway to population growth and that the decline indicated in the CCRLUS may not be an inevitable outcome.

Higher life expectancy and falling birth rates are contributing to an increase in the average age of people in the community and increasing the proportion of elderly people. In 1901, only 4% of Australians were aged 65 years or older. By June 2010, this proportion had risen to 13.5%, and is projected to increase to between 21% and 23% by 2041.

Demographically the population of Waratah-Wynyard are older than the Tasmanian average and increasingly there aren't enough young people in the community to replace them. Demographers .id tells us it is evident that the proportion of the population who might be considered 'Future Home Buyers' (0-19 years) is not enough to replace existing home owners. While at the moment they are likely to be dependent on others for housing, over the next 30 years (if they remain in the Waratah-Wynyard municipality) they will become 'First Time Home Buyers' and drive future housing demand. At the same time, those who own or rent houses will move towards retirement and eventually 'Aged Care' and will require housing suitable to their particular needs as those needs change.

Another factor influencing our demographic mix and increasing age is the selective outmigration of young people from the region. Anecdotal evidence suggests that young people leave to access greater opportunities elsewhere. They are partly replaced by older people moving in to the region. Primary research undertaken for this strategy through social media of those who self-identify as incoming residents suggest these people are drawn by the natural beauty, relaxed lifestyle, affordability and sense of community.

As the average age of the population slowly rises the lifestyles and housing needs of the community will also change. Older people are more likely to live alone[3]. Many feel less able to tend large plots or houses and it becomes more important to be closer to centres which are better serviced by transport, social and welfare

[2] https://atlas.id.com.au/cradle-coast/maps/moved-address#

[3] https://www.abs.gov.au/ausstats/abs@.nsf/mf/4833.0.55.001

opportunities. Whilst on average almost 90% of our years are lived in full health[4], longer lives also means more years living in poor health. In 2003 (the most recent dates available) 56% of all older persons had a reported disability, the longer we live the more pressing our need to be nearer health care.

Another factor that will influence people's ability to meet their needs is their ability to get to all the places they are required to go to receive health care, access food, enjoy recreation and social interaction. In the municipality 6.8% of the population do not have a car rising to 10 % in the Wynyard area, as defined by the ABS. As people get older it seems safe to assume the proportion of the population that can't drive will also rise.

As noted in the CCRLUS although projected population increase is low, demographic data indicates that in common with the rest of Australia, housing occupancy rates in the Cradle Coast Region will fall to approximately 2.1 persons per dwelling by 2030 from between 2.3 to 2.4 persons per dwelling. This shift is already evident, according to demographer .id the largest changes in the number of persons usually resident in a household in Waratah-Wynyard Council area between 2011 and 2016 were:

A significant growth in 1-person households (+146 households)

A significant decline in 5-person households (-88 households).

Households are getting smaller, this means that in the future the same number of people will require more houses.

2.4 The economy

The Cradle Coast NRM Strategy 2005 notes the Region's abundant natural resources underpin its industries, including agriculture, fisheries, forestry, mining, hydro and wind energy and nature-based tourism; and are essential for the health and lifestyle of its people. Agricultural, mineral and forestry products have been the traditional mainstay of the Cradle Coast economy and continue to engage over 8% of the workforce with another 14% working in downstream industries[5]. However, in recent years the economy has diversified. The Region's businesses are relatively small[6]. Only 1% employing more than 50 people. 80% employ less than 20 people, and 58% having no employees. 85% of employment is in the private sector, with a large proportion (2200 or 27%) involved with the agricultural, forestry and fishing sector. Around which a range of commercial, community, professional and personal services have evolved to support industry and population needs.

This has resulted in the growth of the retail, hospitality and tourism, education and health and recreation sectors that now engage over 29% of the workforce. The CCRLUS observed that continued growth in the economy will be commensurate with size of the resident population and retention of primary and secondary sector capabilities. As noted above, as with all small regions around Australia, the region's population is sensitive to economic conditions. That is, as employment fortunes wax and wane, so too does the population growth rate. Both in and out-migration can increase rapidly in response to new local job opportunities or losses. For a relatively small population this can have a substantial effect. Moreover, economic migrants are usually in the childbearing age range and, if jobs are secure, family households are formed, further increasing population growth. Just as rapidly, a downturn can compel large numbers of working families to leave. The CCRLUS note

[4] https://www.aihw.gov.au/reports/burden-of-disease/health-adjusted-life-expectancy-australia/contents/summary

[5] https://planningreform.tas.gov.au/__data/assets/pdf_file/0010/569980/Living_on_the_Coast_-_declared_27Oct2011.pdf

[6] https://planningreform.tas.gov.au/__data/assets/pdf_file/0010/569980/Living_on_the_Coast_-_declared_27Oct2011.pdf

there are limited signals for significant growth in economic activity and employment. However, it also observed that the Region continues to show economic resilience.

2.4.1 Income and disadvantage

The median weekly personal income for people aged 15 years and over in Waratah-Wynyard in the ABS's Socio-Economic Indexes for Areas or SEIFA index suggests that the municipality is relatively disadvantaged in all the indicators of disadvantage mapped (table 1).

Indicators of disadvantage	Score for Waratah-Wynyard (1000 is the average score for Australian municipalities. Scores lower than 1000 are more disadvantaged)
Index of Relative Socio-economic Disadvantage	925
Relative Socio-economic Advantage and Disadvantage	906
Index of Economic Resources	949
Index of Education and Occupation	907
Average of indexes	922

Table 1 Indicators of disadvantage

In other words, Waratah-Wynyard has a higher rate of disadvantage than average across all indicators.

2.5 Development activity

The pace and volume of subdivision and development applications offers insights into both the supply and demand in the municipality. It is not a complete picture of supply or demand as will not reflect demand where supply is too little or inappropriate. However, it is still informative.

2.5.1 Subdivision

Subdivision is usually a precursor to development and indicates the rate at which latent supply is turned into actual, developable supply. Applications for development are typically a good indication that there is a degree of confidence that there is demand for that development.

Tables 2-4 shows approved subdivisions indicated by zone and settlement. In most cases after land has been zoned for a particular urban residential use (such as GRZ) land will require subdivision to facilitate development. An absence of subdivision activity where land has been zoned to facilitate subdivision can indicate that market considers development to be less likely or some other barrier exists to deter appropriate development.

The net gain in lots was evenly spread over land zoned RLZ, LDRZ and GRZ with 45, 44 and 45 new lots in each of these zonings. In terms of the location for these new lots the coast proved overwhelmingly to be the most attractive area, with no lots created at either of the inland centres.

	GIZ			GBZ			GRZ			LDRZ			VZ			Unspecified		
	lots in 2016	Lots created between 2016-mid 2020	lots mid 2020	lots in 2016	Lots created between 2016-mid 2020	lots mid 2020	lots in 2016	Lots created between 2016-mid 2020	lots mid 2020	lots in 2016	Lots created between 2016-mid 2020	lots mid 2020	lots in 2016	Lots created between 2016-mid 2020	lots mid 2020		total lots created between 2016-mid 2020	average new lots per annum
Wynyard	92	4	96	134	0	134	2463	29	2492	10	0	10	0	0	0	4	33	7.3
Waratah	0	0	0	0	0	0	0	0	0	0	0	0	428	0	428	0	0	0.0
Somerset	48	0	48	60	0	60	1494	16	1510	48	0	48	0	0	0	0	16	3.6
Boat Harbour Beach	0	0	0	0	0		0	0	0	422	32	454	0	0	0	0	32	7.1
Sisters Beach	0	0	0	0	0		0	0	0	138	12	150	0	0	0	0	12	2.7
Yolla	0	0	0	0	0		0	0	0	0	0	0	72	0	72	0	0	0.0
Total	140	4	144	194	0	194	3957	45	4002	618	44	662	500	0	500	4	93	20.7

Table 2 New lots in each town or settlement in each zone between 2016 and mid 2020

RLZ	lots in 2016	lots mid 2020	Lots created between 2016-mid 2020	Proportion increase over period	average new lots per annum
All locations in municipality*	585	630	45	1.077	9.8

* including those not contiguous with a town or village in the strategy

Table 3 New RLZ lots in the municipality in this strategy between 2016 and mid 2020

	GIZ	GBZ	GRZ	LDRZ	VZ	Unspecified	Ave. per annum
average new lots per annum	0.9	0	10	9.8	0	0.9	20.7

Table 4 Summary of new lots in the municipality in each urban zone in this strategy between 2016 and mid 2020

2.5.2 Development Applications

In relation to development approvals for dwellings, these are indicated in Table 5 below by zone and suburb. This shows 157 Development Applications yielded approval for 276 dwellings based on Council statistics in the 4.5 years from 2016 to mid-2020.

This table indicates that over half the dwellings approved were on lots zoned GRZ with houses in RLZ coming second at less than a third of the rate of those on GRZ zoned land. Wynyard was far and away the most significant centre for new development with 59% of the approvals.

2.5.2.1 Development Approvals for residential development

	Total dwellings 2016	Additional approved dwellings						Total dwellings mid 2020	Increase in dwellings over period	Proportional increase in dwellings over period	Average annual increase
		GBZ	GIZ	GRZ	LDRZ	RLZ	VZ				
Wynyard	2,554		1	105	5	34		2,699	145	0.05	32
Waratah	176						1	177	1	0.01	0
Somerset	1808	2		87		14		1,911	103	0.05	23
Boat Harbour Beach	82					1		83	1	0.01	0
Sisters Beach	397				18	1		416	19	0.05	4
Yolla	149							149	0	0	0
Mount Hicks*	144					3		147	3	0.02	1
Boat Harbour*	120					4		124	4	0.03	1
Total	5,430	2	1	192	23	57	1	5,706	276	0.05	61
average increase in dwellings per annum		0.4	0.2	42.7	5.1	12.7	0.2				

* not contiguous with a town or village in the strategy

Table 5 Development approvals

Comparing lots created to lots developed reveals that lots are being developed faster than lots are being created in all towns and villages. This is likely to be absorbing the slack of having a large number of vacant lots, but it is probable that it is using up the 'low hanging fruit', thus leaving more difficult to develop lots to meet future needs. If continued, this will have the effect of constraining supply.

2.5.2.2 Implications for Strategy

The sensitivity of the region's population to economic conditions has implications for planning. When growth or decline is so influenced by external factors that are to a large extent beyond the control of the region or state and are often unforeseeable it makes it more difficult to accurately plan for these people's needs. The variables suggest building in resilience and flexibility rather than locking in a rigid planning response that is tailored for just one outcome.

What can be predicted with confidence is that as the population changes, either through ageing or through an influx of younger families, there will be an increasing need to provide more diverse housing to satisfy the changing demand. An ageing community will create additional demand for health services and age-appropriate housing options including more independent and assisted living units. The appearance of more non-family households, and a growing number of immigrant groups are all contributing to a range of housing preferences and needs that will need to be addressed in the Settlement Strategy.

Ensuring housing supply is appropriate for this demand will be a highly challenging task as the makeup of the population continues to diversify, accompanied by a parallel diversification of housing requirements beyond what has been traditionally provided within the municipality. However, the Sustainable Murchison Community Plan 2040 noted that since 2012, there has been more dwelling and subdivision development within the Wynyard urban boundary than outside it. This suggests there is a market for smaller houses and units nearer the town and the private sector is responding to a demand to live within established areas closer to existing amenities.

3 Demand

The CCRLUS identifies all settlements in this strategy as conforming to a low growth scenario where demand is driven largely by internal population change and very low rates of inward migration. Under this scenario growth relies principally on existing land supply (including vacant zoned land) and available infrastructure within the designated urban boundary without need for intensification.

However, as noted in chapter 2, in common with all small regions around Australia, the regional population is sensitive to economic conditions[7]. That is, as employment fortunes wax and wane, so too does the population growth rate. This is very characteristic of a region with a relatively high proportion of working age residents (although older working residents).

Both in and out-migration can increase rapidly in response to new local job opportunities or losses. For a relatively small population this can have a substantial effect. Moreover, economic migrants are usually in the childbearing age range and, if jobs are secure, family households are formed, further increasing population growth. Just as rapidly, a downturn can compel large numbers of working families to leave.

The CCRLUS noted there are limited signals for significant growth in economic activity and employment. However, it also observed that the Region continues to show economic resilience.

It is noted that the Sustainable Murchison Community Plan (2016) is a much more recent document than the CCRLUS (2010) and highlights the possibility of greater growth than projected in the CCRLUS. However it does not project population figures for the settlements within Waratah-Wynyard so it cannot be used to provide a specific scenario, although it does suggest we model a growth scenario.

Given these variables the modelling undertaken for this strategy look at three population scenarios. These are the top and bottom of the state government population projections[8] which both indicate decline and a third scenario suggesting a nominal 1% growth of population across the municipality during the life of the strategy.

Existing population	13800
Population scenario 1 low state govt. estimate	11685
Population scenario 2 high state govt. estimate	13085
Population scenario 3 growth scenario	13938

The demand scenarios modelled in this assessment are based on the projected population sizes and the anticipated reduction in the average household sizes forward over the lifespan of this strategy. This is then modified by estimations of various factors that cannot be predicted confidently but would be expected to alter demand, either increasing it or decreasing it as indicated.

3.1 Residential demand

Demand is influenced by underlying and effective demand. Underlying demand is the demand for housing created by the number of households in the population and effective demand takes account of the desire and ability of people to commit to a place and a property.

3.1.1 Underlying demand

As noted in the CCRLUS household size in the Cradle Coast Region will fall from between 2.3 to 2.4 persons at the time of the last census to approximately 2.1 persons by 2030. This is because of a trend towards more

[7] Sustainable Murchison 2040: Community Plan A Community Study

[8] [8] https://www.treasury.tas.gov.au/economy/economic-data/2019-population-projections-for-tasmania-and-its-local-government-areas

people living alone, people living longer than their partners and higher divorce rates. Consequently, the number of dwellings needed to house a given number of people will increase. For these reasons, under the three population scenarios identified above and assuming household size stabilises after 2030 the municipality would need to increase the number of occupied dwellings by the following amounts to house everyone:

Where existing stock is occupied private dwellings from ABS census 2016[9] .

Population scenario	Projected population 2040	Household size	Dwellings required to house everyone	Existing stock	Additional dwellings required	Dwellings needed per year to meet demand	Proportional increase
1	11685	2.1	5564	5,376	188	9	104%
2	13085	2.1	6231	5,376	855	43	116%
3	13938	2.1	6637	5,376	1261	63	123%

Table 6 Housing demand at different population scenarios

3.1.2 Effective demand

In addition to underlying demand, many other factors influence actual or effective demand that influence peoples propensity to live in these locations in particular types of dwellings. The drivers and dampeners of effective demand were identified through interview and Survey monkey survey with estate agents (n=6) and responses through Facebook page surveys with intending residents and recent residents (n=25). These investigations found that the factors that attracted people to the area and those that deterred people were:

3.1.2.1 Drivers of demand

The factors that push up demand are:

- Lower house prices for comparable houses and ability to buy a larger lot/better house with the same amount of money than one could do elsewhere;
- Undefined lifestyle/avoidance of crowds and congestion of the city, 'the good life';
- Natural beauty;
- A sense of community;
- Easy access to recreational opportunities;
- Availability of housing and properties that facilitated 'weekend' activities with room for sheds, boats, caravans;
- Perceived lack of major social and environmental problems;
- High quality education system; and
- Mild climate.

3.1.2.2 Dampeners of demand

The factors that reduce demand are:

- Lack of medical care
- Poor supply of appropriate housing
- Poor internet/digital access

[9] https://quickstats.censusdata.abs.gov.au/census_services/getproduct/census/2016/quickstat/LGA65410?opendocument

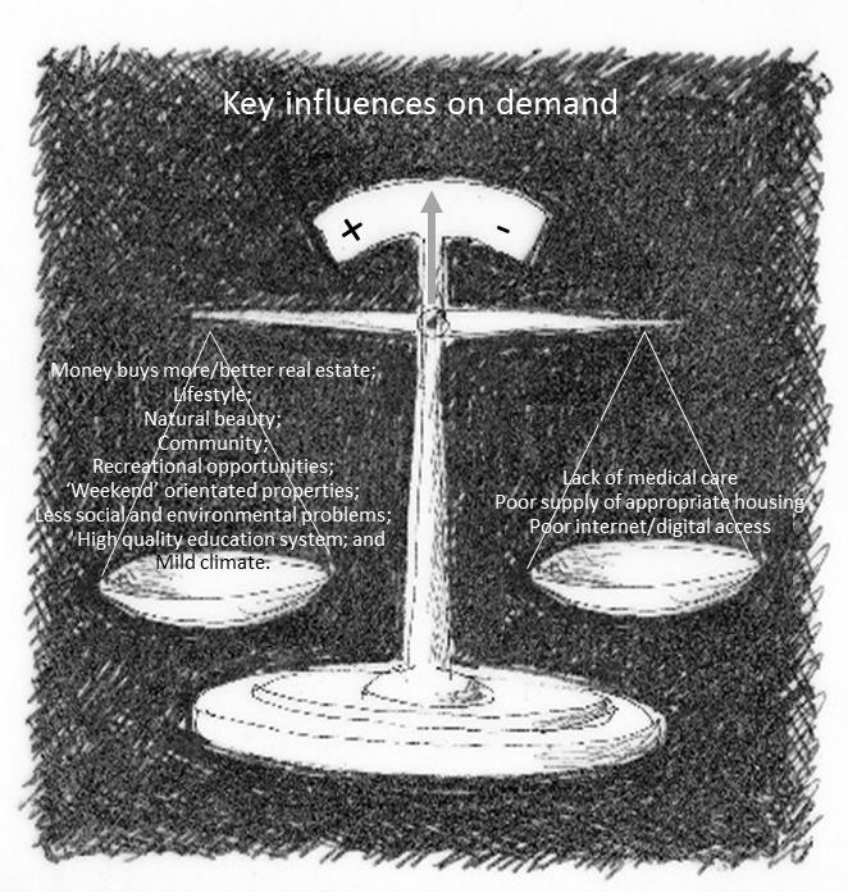

Figure 3 Influences on demand

3.1.3 Emerging influences on demand

A number of factors would be expected to change demand during the lifetime of this strategy. These are outlined below.

3.1.3.1 Digitalisation

Universal high-speed connectivity to the internet is seen as an important means of accessing opportunities and its absence significantly limits access to those opportunities. 22% of people in WW had no access to the internet at home in 2018, according to .id, compared to only 13.6% of people across Australia. The digitisation of so many aspects of people's lives and businesses presents an enormous opportunity for improved efficiency and productivity, but it also presents a new form of disadvantage to those left without it that may diminish the appeal of the area. Addressing this paucity is likely to change the balance of attractors and deterrents to the area.

3.1.3.2 Ageing community

The Council of the Aging estimated that the proportion of the Waratah-Wynyard population that is over 65 is increasing rapidly. They found it was 18% in 2011, has been estimated to be 25% in 2020 and will increase to 35% in 2030. The ageing population and changing living patterns of older persons suggest small unit developments, retirement villages and aged care establishments will also account for an increasing share of new dwellings and residential facilities. Interviews with real estate agents suggest that Wynyard, in particular will attract this section of the population because of its natural beauty, it is flat and well serviced. The increase in aged persons is also likely to create employment growth in aged care and the care industries more generally.

3.1.3.3 Climate change

The impacts of climate change have been modelled to be less detrimental in our region than other parts of Australia[10] which may attract people looking to escape its more dramatic impacts elsewhere. The Sustainable Murchison Strategy noted that despite perceptions this 'climate change refugee' effect hadn't had a significant effect although it acknowledged this may change. A more recent report suggested that climate has become more significant as a driver of demand[11].

Even if the effects of climate change are delayed or diminished in this region Waratah-Wynyard may still face considerable challenges that may potentially diminish its appeal and the quality of life that can be enjoyed here. This may happen as landscapes change, new pests become established in the area, storm, flood and fire events become more frequent and more damaging, water becomes less dependable. The Health and Wellbeing Plan notes "Research suggests that changes to our climate may affect human health and wellbeing on many levels. Effects may include the impacts from increased extreme weather events, wildfire and decreased air quality (higher pollution and allergens); threats to mental health (e.g. post-traumatic stress disorder following weather events and increased anxiety at their increasing frequency); and illnesses transmitted by food, water, and disease-carriers. Sea level rise is also projected to lead to more frequent coastal inundation events"[12].

3.1.3.4 Social trends

Anecdotal evidence suggests TV Lifestyle shows and the recent C19 epidemic have influenced social trends and demand. However, these trends point in different directions. The Central Area Development Strategies Project Draft Master Plans and Strategies January 2019 noted that there is a trend to increasing residential development within town centres is evident elsewhere in Tasmania and has resulted in more vibrant communities and demand for night-time cultural and recreational activities. However, there is currently little in the way of residential offerings in the Central Areas of Wynyard. Although smaller units are being built this sector is not growing as fast as the demand is being created, as noted in chapter 4. The Investment and Settlement strategy for nearby Burnie noted that "factors such as recent development trends, declining average household size, housing affordability issues and limited availability of Greenfield sites suggest there will be increased demand for medium density unit development in Burnie into the future". It seems given the similar demographic profiles and exposure to similar development trends this will increasingly impact Wynyard and Somerset, notwithstanding market resistance as noted below.

On the other side of the coin there are some influences that point towards a growing demand for larger lots, in particular to accommodate the 'tree change' phenomena which will increasingly influence immigration into the area[13] as noted above.

3.1.3.5 Market resistance

The Investment and Settlement strategy for Burnie stated that despite an evident demand for intensification of housing noted that past medium-density housing development has not enjoyed strong market support and that detached houses remained the preferred housing type. Anecdotal evidence and discussions with real estate agents suggest this is likely to also be an issue here.

3.1.3.6 Price sensitivity

Discussions with building designers and real estate agents suggest that the housing market is polarised. A minority with relatively deep pockets are more likely to place a greater weight on issues like design or views

[10] Murchison Sustainable Community Plan 2040 | Community Study

[11] https://www.abc.net.au/news/2019-12-16/climate-migrants-moving-south-to-tasmania/11800152

[12] file:///C:/Users/jenny/Dropbox/My%20PC%20(ifor)/Downloads/Community-Health-Wellbeing-Plan-2019-2014-Waratah-Wynyard-Circular-Head-Councils%20(4).pdf

[13] https://www.abc.net.au/news/2019-12-16/climate-migrants-moving-south-to-tasmania/11800152

whereas the majority of the market is more sensitive to price and places much less weight on matters of design quality when making decisions about what to buy or build.

3.1.3.7 Hidden demand

Markets for different types of housing do not work in discrete silos. All markets influence one another and have spill overs. This happens when demand and supply become mismatched. For example, if a person wanted to downsize and move into a unit as they got older but no suitable units were available in that area they may stay put. In this case the demand for units would be hidden as it wouldn't be reflected in dwellings bought or sold. This situation also locks up larger, previously family housing with only one or two people per dwelling and diminishes the options available for those families that do wish to move into the area.

Equally in this situation if people can't find a unit they may purchase a smaller house, contributing to an apparent demand for a different type of housing. Consequently, effective demand may be obscured as preference for a particular type or style of housing may be hidden within the demand for a similar segment. This is called 'market elasticity'.

This can also mean providing more housing in a certain segment of the market might reduce demand in another segment. Anecdotal evidence from real estate agents suggests that rural living lots attract significant interest in the market, particularly given a relative paucity of this zoning in Burnie City Municipality. Interviews with these real estate agents and planners at Burnie reveal that there is also a latent demand for Rural Living lots aimed at the 'top end' of the market. These require high amenity, low constraint locations with an attractive view. There is little market elasticity for these buyers. If they don't find what they want here, they don't have to accept second best and will look elsewhere.

Choosing to cater for this sophisticated demand can have good and bad outcomes that may distort the housing market. If it is successful in attracting well-heeled people, it would seem to be an effective way to inject money into the local economy and broaden the economic base of the Waratah-Wynyard community. This would bolster confidence more broadly in buying into the area. However, although it cannot be quantified exactly releasing more RLZ looks likely to diminish demand for GRZ housing, particularly for those of more modest means. This happens as those people who are more tied to the area would chose a larger lot, further away from town if one was available. This shift in emphasis from smaller, more highly clustered GRZ lots to larger, more dispersed RLZ lots would have the effect of generally reducing densities, locating people further from services and so would contribute to sprawl. This raises many resource implications, it increases vulnerability as a greater proportion of the population lives where walking is less viable, thus increasing vehicle dependency and runs counter to the aspirations and intent of CCRLUS.

3.1.3.8 Erosion of the core assets

The CCRLUS and the findings of community consultation suggest that local character and identity make an important contribution to liveability. Community consultation suggests this character comes significantly from intangibles like a sense of community, friendliness but it is also influenced by the built characteristics of the town and villages. These are characteristics such as building heights, gardens and landscapes and the relatively low density of development that was described by many as a 'small town character'. This character is evidentially sensitive to intensification which will therefore require very careful design to retain this character or sensitively set design parameters that let that character evolve into something else that can be valued.

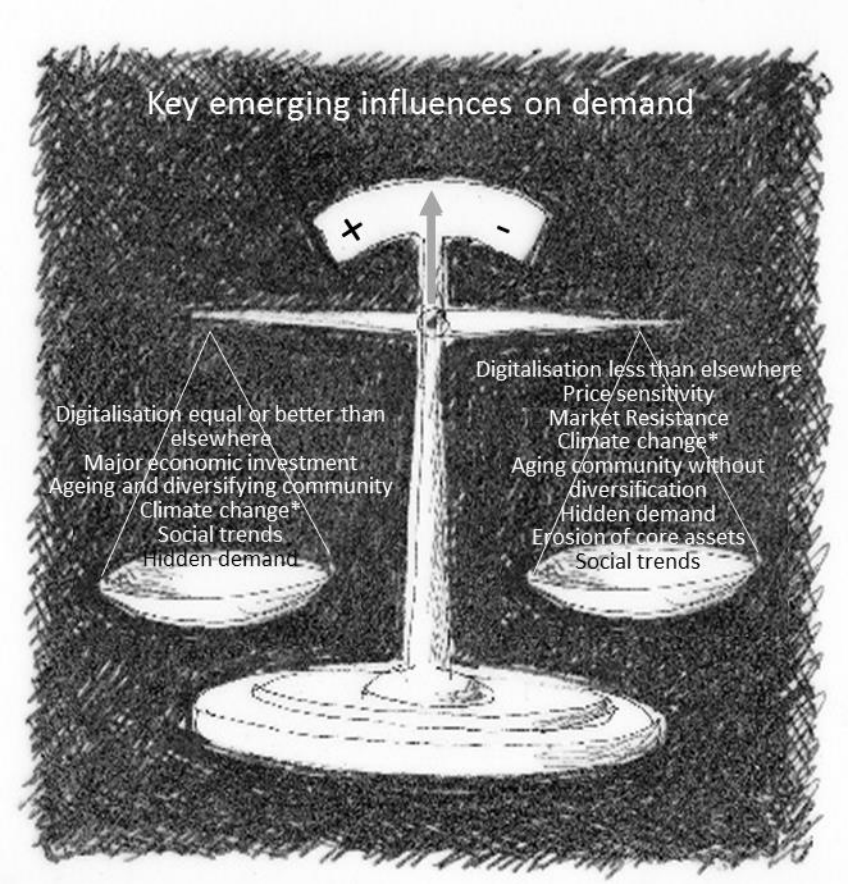

Figure 4 Emerging influences on demand. Factors indicated with an asterisk may have significant impacts on demand on either side, potentially contributing to or diminishing demand.

3.1.4 Commercial

The Central Area Development Strategies Project Draft Master Plans and Strategies (CADS) stated that Wynyard town centre comprises approximately 14,100 m^2 of active retail floor space serving a Market Area with an estimated resident population of 11,270. The Market Area comprises Wynyard and surrounding hinterland, for which Wynyard town centre serves as the closest and most convenient retail destination.

The study found that Wynyard's Market Area spent an estimated $117 million in the financial year ending June 2018. Based on prevailing average turnover densities, this spending would support an approximate 19,080 m2 of retail floor space, or 4,980 m^2 more than the existing active floor space (mid-2018). The shortfall in space was largely in the non-food sector such as apparel, homewares, appliances and hardware (4,500 m^2). The study noted additional retail floor space could be accommodated within the footprint of the existing General Business Zone.

The CADS noted that in Somerset there is also a shortfall of retail floor space compared to what would be expected of its market area. The Somerset Market Area encompasses Somerset and the surrounding rural hinterland for which it represents the closest and most convenient retail destination. The estimates of resident population (at June 2017) indicate that there is a Market Area population of approximately 5,500. The Choice Location Strategists assessment found that the spending power of Somerset's Market Area would support approximately 9,300 m^2 of retail floor space based on the nominated turnover densities. This is 3,550 m^2 more than Somerset's current active retail floor space. The shortfall was particularly pronounced in food, groceries and liquor, a deficit of 1,400 m^2, and non-food retail a deficit of 2,300 m^2. In the absence of this space, the trade Somerset would otherwise attract is lost to alternative destinations, most likely in neighbouring Burnie.

The CADS identified a series of rezonings that can accommodate this shortfall and allow Somerset to capture this escaping trade.

In Waratah and Yolla commercial uses such as business and professional Services, food services, general retail and hire are allowed within the Village Zone and thus do not require a specific change to the zoning to facilitate commercial development.

In Boat Harbour Beach and Sisters Beach commercial uses are discretionary within the zoning and thus do not require a specific change to the zoning to facilitate commercial development. There is also very little apparent demand (although more shops were identified by the community in Sisters Beach as something they felt would contribute to the liveability of their village).

3.1.5 Industrial

The Industrial Land Study North West Tasmania study links the demand for more industrial land to population growth. Consequently, reflecting an aspiration to foster more growth suggests that we look to the upper end of the projections for demand for industrial land. The study suggests that meeting this demand for local industry would require 0.8ha of land in the municipality. This can be met within the existing zoned land.

Analysis of recent development activity reveal very little industrial development in Somerset and more in Wynyard (as noted in CADS).

In Waratah and Yolla small scale workshops are permitted within the Village Zoning and so do not require a particular zoning response.

In Boat Harbour Beach and Sisters Beach very little apparent demand and workshops etc. are discretionary in the zoning.

In all the settlements apart from Wynyard and Somerset people have to travel to a larger centre to access most industrial activities.

Knowledge/creative industries including research and development

An area of industry that was not addressed in depth in the Industrial Land Study North West Tasmania study or the CADS plans was the growth or suitability of knowledge/creative industries including research and development. Towns and regions are increasingly competing against other towns and regions around the world for talented, creative people that are the critical factor. These people bring significant wealth and support multiple areas of the economy. They are not geographically fixed and are freer to move around than other assets. Experience and research suggest the creative people that are the core factor in developing these industries tend to be drawn to places offering greater 'inspiration'. In particular they are more attracted to places offering[14]:

- Clusters of like-minded people
- High amenity locations
- 'Quality of life' opportunities
- Good connectivity to the outside world (virtual and actual)
- Diversity and tolerance.

It is noted that WW already enjoys many of these characteristics, in particular a beautiful environment, existing creative community and good connections to the mainland. Although not listed it is also assumed that affordability and association with a positive brand would also be assets. It is noted the state's population

[14] Adapted from https://www.sciencedirect.com/science/article/abs/pii/S0264275117310442

strategy emphasises initiatives to foster the community's diversity and (further) increase tolerance. Factors that may assist attracting this industry and stimulating demand for this sector include:

- Promoting the area as an inspiring place to work (in keeping with brand Tasmania's image).
- Invest in liveability (amenity, walkability, etc.).
- Improving design standards
- Improving connectivity; internet access and transport links

3.2 Implications for this Strategy

To a significant extent, demand will largely be driven by changes in housing needs as the community diversifies and ages. This is because of the social tendency to smaller households as people age which effectively spreads any given population over more dwellings. The changing needs and capacities of people as they age suggest these houses should be smaller (less to maintain, fewer empty rooms) and nearer social, recreational and medical facilities with better access to public transport. Incidentally, the changing needs of the community may also increase demand for house modification to facilitate ageing in place.

However, across residential industrial and commercial sectors there are many other factors that may also contribute to demand by drawing people to the area. Unfortunately for this analysis many of these drivers of demand are not quantifiable or their impact predictable in any reliable way given they are subject to so many variables. As noted above the economy and hence demand is very sensitive to outside influences. These cannot be quantified but may be influential. Given the aspirations for sustainable growth that underpins this strategy these factors suggest meeting these aspirations can only be realised by attracting people to the area who could go elsewhere. Consequently, in order to foster demand it is important to;

- Protect and where appropriate enhance these drivers of demand
- Address or mitigate the dampeners of demand
- Provide an adaptable strategy that can respond to changing circumstances.

The levers that can be pulled to foster growth in the municipality's communities are limited and sensitive to price. However analysis of the factors that influence demand supports the conclusions of the CCRLUS and Sustainable Murchison that carefully targeted measures that enhance liveability will bolster demand, attract people and encourage them to stay are likely to be effective.

4 Supply

This section considers the capacity of the zoned land in each of the towns and villages to accommodate further development. It distinguishes maximum potential supply to actual supply to take account of various known factors such as difficulties accessing or servicing lots that may diminish the yield of this land and its ability to accommodate further development.

4.1 Maximum potential housing supply

In absolute numbers the existing potential supply of housing over the life of the strategy is shown in table 7. This is be estimated by adding:

a) Existing dwellings: all existing dwellings (all of which are assumed to be habitable) in each of the zones within the scope of this strategy;
b) Dwellings that can be accommodated in *Un*developed or vacant lots in each residential zone. (These are assumed to be developable to accommodate 1 dwelling per lot); and,
c) Lots that can be accommodated in *under*developed lots, these are existing lots (either vacant or partly developed) that are at least twice the size of the average lot +10% for circulation. At this size they are theoretically large enough to be subdivided and so yield an extra lot. This will account for the latent potential of larger vacant lots as well as larger lots that already have a dwelling on them but are large enough to be further subdivided. These resulting lots are assumed to be developable at a rate of one dwelling per lot; and,
d) The dwellings in Industrial and Business zones, estimated by projecting the rate of historical development forward over the lifespan of the strategy.

This assumes no dwellings are lost during this period or if they are another dwelling is built on the lot within the lifespan of this strategy.

In Village and Low Density Residential Zones that can accommodate uses other than residential uses it assumes developed lots in these zones will also accommodate a dwelling. It is understood this isn't always the case but an analysis of aerial photography reveals that the vast majority of developed lots in these zones do contain a dwelling.

Figure 5 illustrating estimation of residential lot supply.

Town and zone	Existing dwellings	Potential dwellings			Potential dwellings (total)	Total (Existing supply + Potential supply)	Proportional increase
		Undeveloped (vacant) lots in GRZ, LDRZ, VZ, RLZ	Lots that could be accommodated in larger lots in GRZ, LDRZ, VZ, RLZ	Residential development based on past rate in other zones			
Wynyard	**2,289**	**225**	**719**	**4**	948	3,237	**0.29**
GRZ	2,244	220	719		939	3,183	**0.30**
LDRZ	5	5	0		5	10	**0.50**
Dwellings in other zones	40			4	4	44	**0.09**
Somerset	**1,493**	**87**	**422**	**10**	**524**	2,017	**0.26**
GRZ	1419	81	385		466	1,885	**0.25**
LDRZ	40	6	37		48	88	**0.55**
Dwellings in other zones	34			10	10	44	**0.23**
Boat Harbour Beach LDRZ	83	49	46		93	176	**0.53**
Sisters Beach LDRZ	416	80	112		188	604	**0.31**
Yolla VZ	149	23	18		42	191	**0.22**
Waratah VZ	177	320	51		296	473	**0.63**
RLZ land	520	110	247		360	880	**0.41**
Total	**5,127**	**894**	**1,615**	**14**	**2,523**	**7,650**	0.329804

Table 8 Breakdown of residential supply

This means the six towns and villages of the municipality have enough land zoned to accommodate 2523 new lots through developing vacant lots and subdividing lots that are large enough to be subdivided based on average lot sizes + 10% for circulation. This represents an increase of approximately 33% more dwellings than are presently accommodated within existing zonings.

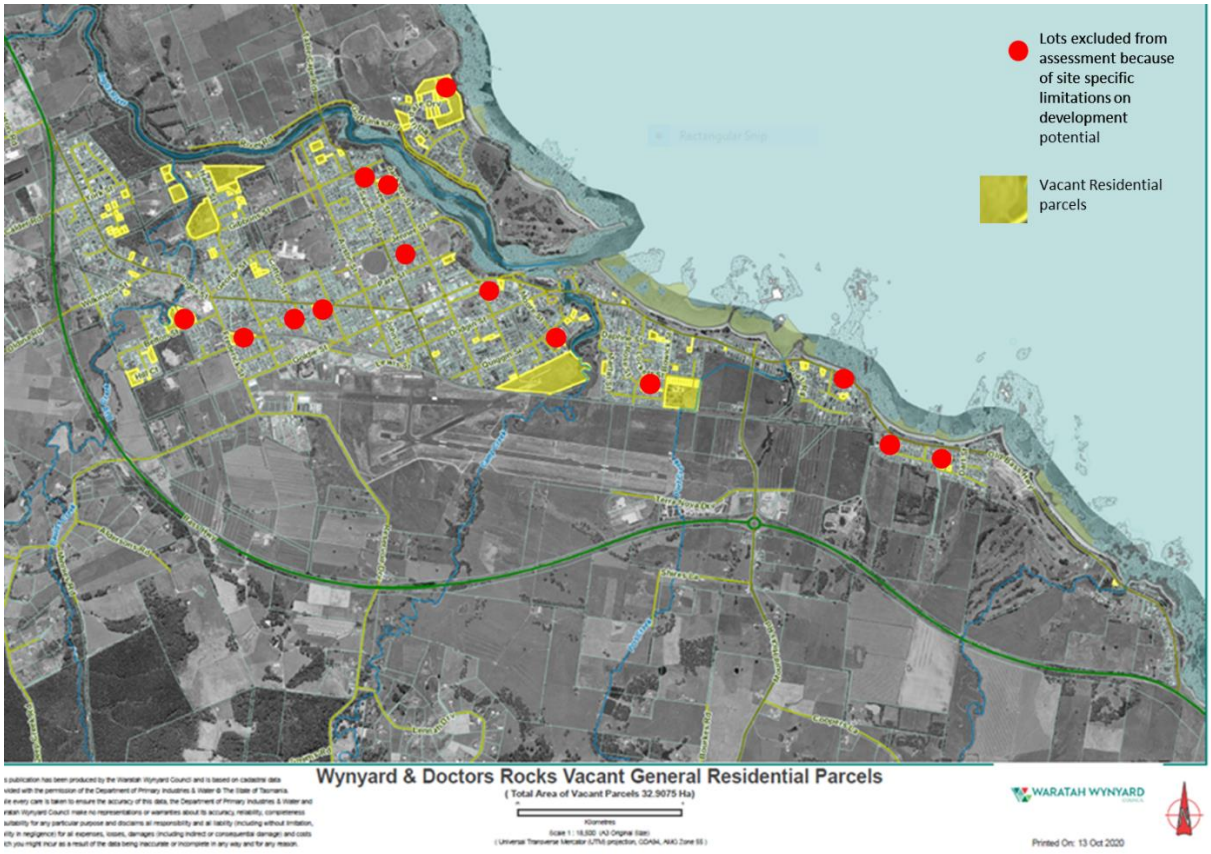

Figure 6 undeveloped land in Wynyard

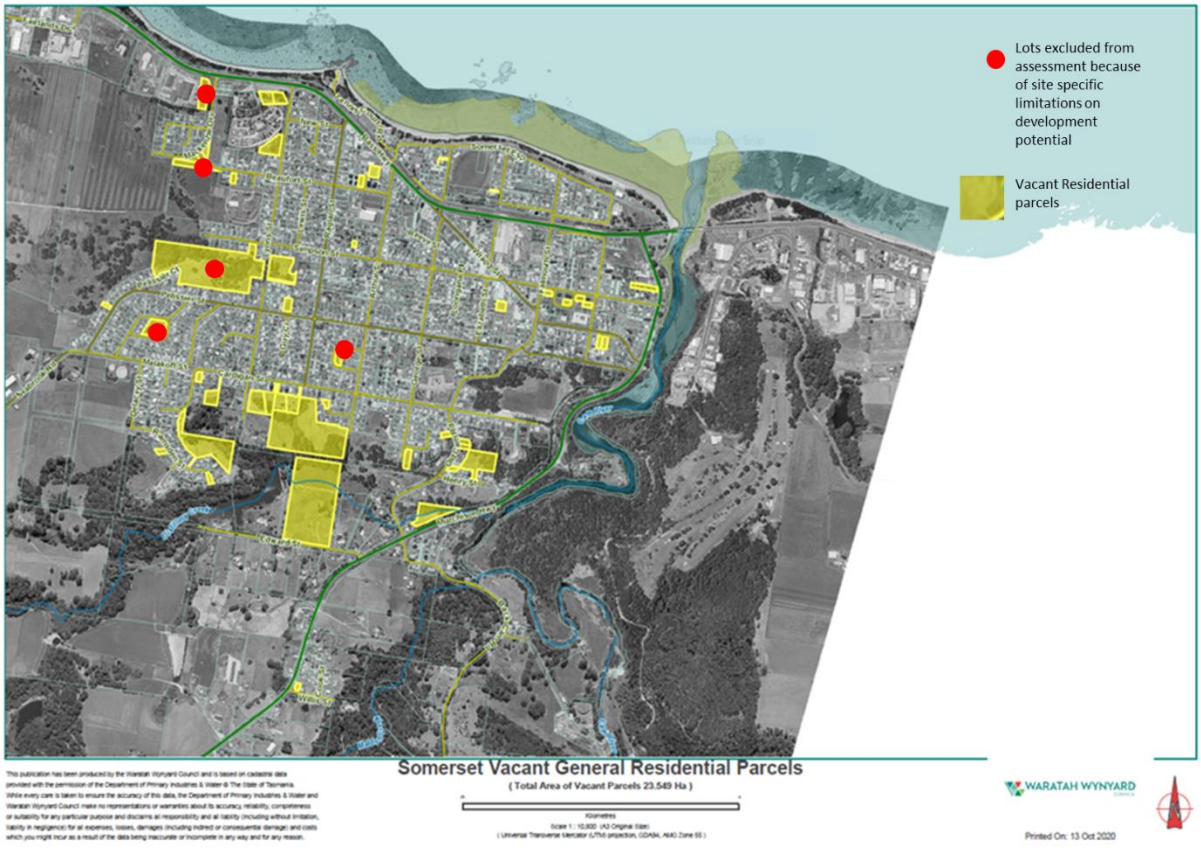

Figure 7 undeveloped land in Somerset

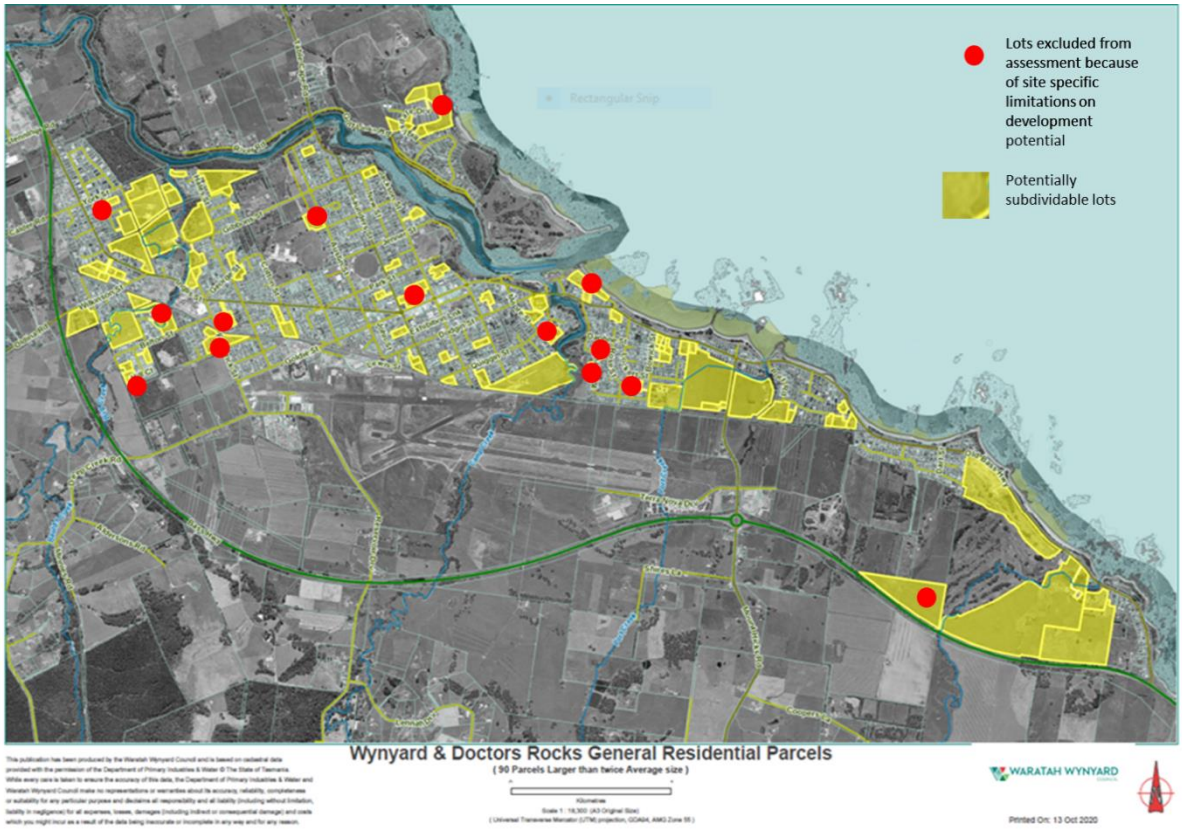

Figure 8 underdeveloped land in Wynyard

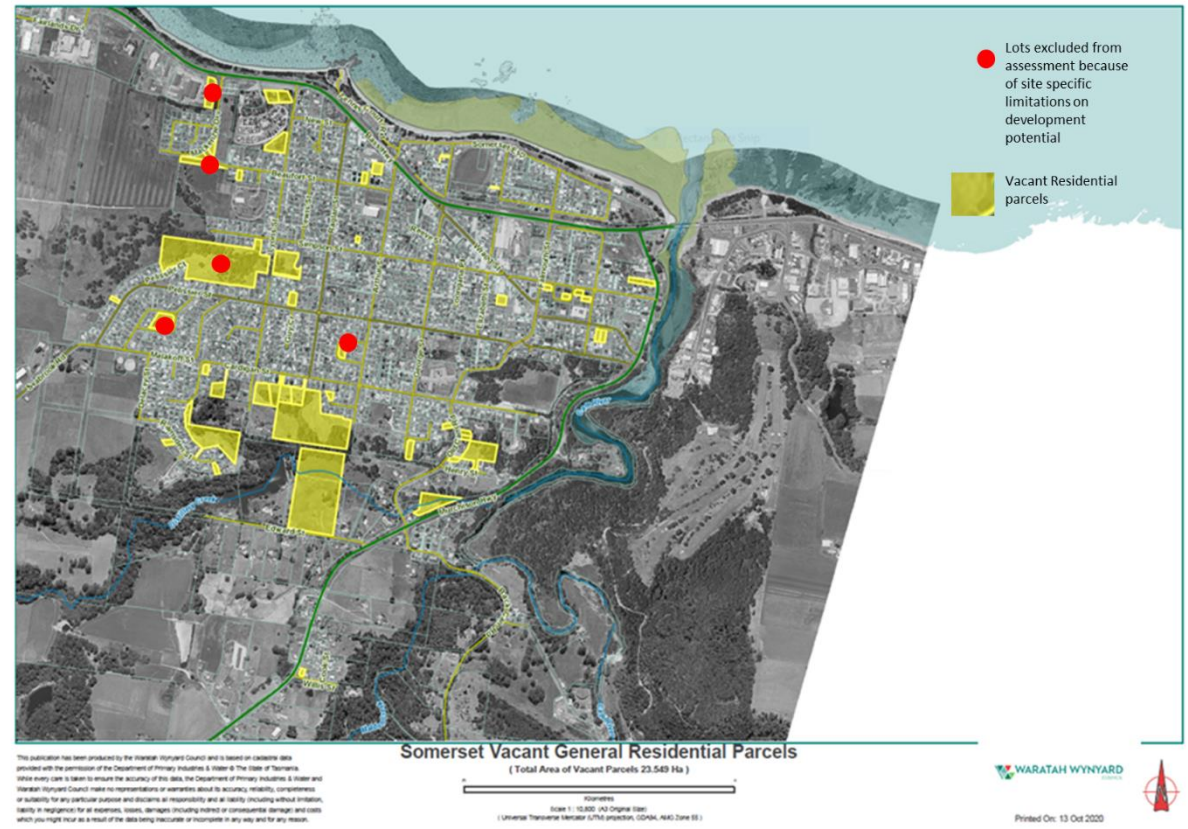

Figure 9 underdeveloped land in Somerset

Assuming a dwelling is developed on each of these lot and a household size of 2.1 people in each dwelling as suggested in the Cradle Coast Regional Land Use Strategy these new potential dwellings have the capacity to accommodate an additional 5298 people.

This also means that under this 'fully built out' scenario, at this average household size the 7650 dwellings of the municipalities' towns and villages that could accommodate a population of 16065. Given that the most recent treasury estimates are for population decline[15] at first glance there is ample potential land to accommodate growth, should it be required. However as outlined in the following section there are many reasons why this fully built out scenario may not be achievable or desirable.

The total area of vacant lots and underdeveloped lots that could be intensified to achieve this supply is outlined below. Note this model is based solely on zoned land developed at the prevalent lot size, and takes account of no other factor;

Area of potential intensification from Waratah-Wynyard data					
	LDRZ	GRZ	RLZ	VZ	Total
a. Number of lots	662	3997	631	569	5859
b. Lots with dwellings or otherwise developed	522	3699	520	226	4967
c. Vacant lots	140	298	111	343	908
d. Average size of lots	0.175097	0.137207	2.66411	0.2	
e. Number of lots over twice the size of the average lot (and so assumed to be candidates for rezoning (with exceptions as illustrated in figures 6-10)	43	152	57	26	278
f. Average size of lots in e.	1.61314	1.4102	12.6918	0.6	
Area of underdeveloped lots (ha)	69.3	214.35	723.43	15.6	1022.748

Table 9 land that could theoretically be more intensely developed under existing zoning.

Put another way, there is nearly 1023ha of residentially zoned land that *could* be intensified within the existing zoning because it is undeveloped or underdeveloped. Nearly three quarters of this is zoned Rural Living.

If this section is seen as the total land that *could* be intensified considering zoning the following section considers the proportion of that land that *should* be intensified taking account of additional planning considerations.

4.2 Limitations on turning potential supply to actual supply

However not all this potential supply can be turned into actual supply in the near future. Some of the key elements that limit the rate that this potential supply can be turned into dwellings include:

[15] https://www.treasury.tas.gov.au/Documents/2019%20Population%20Projections%20-%20Tasmania%20and%20Local%20Government%20Areas.pdf

4.2.1 Capacity limitations

In Australia the annual production of new housing typically averages less than 2% of the existing stock. This pace is to a large extent locked in by capacity constraints in the building industry which limits the ability to suddenly increase supply at times when demand suddenly increases. This means supply can lag to changes in demand.

4.2.2 Development Intention and supply bottlenecks

When land is fragmented into multiple ownerships as illustrated in figures x-x development may be slowed down by a need to consolidate and re-subdivide land to achieve an efficient lot layout. If any of the land owners may not be minded to develop this can also significantly slow development down and create difficulties with efficient development sequencing or accessing services. When this happens land supply can be constricted, resulting in supply shortages which have been noted by Real Estate agents in the Waratah-Wynyard area in a survey by Council Officers. Land banking, emotional attachment to the undeveloped land, poor returns and the perceived difficulties and costs of subdivision have been identified as reasons that may deter development or subdivision for many land owners.

4.2.3 Servicing difficulties

In nearly all urban zonings building approval will be contingent on adequate services being accessible on the site. There are significant number of sites that are zoned for residential or other urban uses that are constrained by an inability to adequately service. These difficulties are due to distance from existing infrastructure, topography, elevation and barriers such as creeks or rivers as well as the supply bottlenecks noted above. Accessing services in an efficient and economical way requires orderly development, this is made difficult or impossible to achieve if development has to 'leapfrog' vacant sites.

At present in Wynyard 50.6 ha of land zoned GRZ are outside the area serviced by water and within this area 4.2ha of land are outside the area serviced by sewerage.

In Somerset Area 20 ha of land zoned GRZ is outside the area serviced by water.

In Waratah area 39ha VZ not serviced by water and 41 ha not serviced by sewer.

In Yolla 3.9ha of land zoned VZ is outside the area that can be serviced by water, none of the village is serviced by sewer.

In Sisters Beach 3.2 ha of land zoned LDRZ is outside the area that can be serviced by sewer, none of the village has a full water service.

In Boat Harbour Beach 1.75ha of land zoned LDRZ is outside the area that can be serviced by sewer, none of the village has a full water service.

These are incorporated into table 10 below.

4.2.4 Site characteristics

A number of characteristics of a site or its surroundings may diminish the sites capacity to accommodate development by making it relatively more expensive to develop or requiring a particular design response to achieve acceptable outcomes

Some features may significantly constrain the capacity of a site to accommodate development. These can significantly slow down the rate at which a site gets developed and this latent supply becomes actual supply. Key constraints include:

- Coastal processes such as erosion and inundation
- Landslip
- Steep topography

- Floodplains;
- Significant native vegetation;
- Aboriginal heritage areas.
- Interface with non-compatible uses;
- Impact of surrounding uses (such as airport) and
- Existing character constraints.

Major site characteristics that limit development as they relate to land slide risk and 'mapped constraints' on the Councils GIS system within each of the towns or villages are:

Wynyard approx. 4.1ha of GRZ land is identified as landslip hazard.

Somerset approximately 16ha of GRZ land is identified as landslip hazard.

Boat Harbour Beach approx. 8.9 ha of LDRZ land (approx. 75% of total village area) is identified as landslip hazard.

Sisters Beach approx. 10.5ha is identified as landslip hazard.

Yolla has no significant areas of landslip hazard

Waratah has no significant areas of landslip hazard

In relation to RLZ land 399.438 ha or 92 lots is identified as subject to mapped constraints on Waratah-Wynyard GIS system.

No significant other hazards could be determined from the available data.

4.2.5 Summary of limitations

A generalised assessment of the impact of environmental constraints and supply bottlenecks was modelled by a desktop analysis based on overlays, aerial photos and topographic information identified through www.iPlan.tas.gov.au and Council GIS data. This is shown in table 10.

Please note this is not a complete picture of limitations on development. The inclination of land owners, cultural values, awkwardly shaped lots, difficult to access lots, localised topographical features, ecological values, and microclimatic conditions will also impact whether or not a lot can be, or should be developed. It is acknowledged that these are not considered in this summary, however the factors that are included are considered to be generally the most significant ones. Consequently, they will have the greatest bearing on the number of dwellings that can be accommodated within the towns and villages of the municipality.

Town or village and zoning	Total area (ha)	Area subject to multiple constraint (ha)	Area constrained by single constraint…				Total area constrained (ha)	Total area unconstrained (ha)	Proportion constrained (ha)	Proportion unconstrained (%)
			No water supply	No sewer	Landslip risk	Other mapped constraints				
Wynyard and Doctors Rocks total	346.78	40	6	0	4.1	4	54.10	292.68	0.16	0.84
GRZ	344.69	40	6	0	4.1	4	54.10	290.59	0.16	0.84
LDRZ	2.09	0	0	0	0	0	0.00	2.09	0.00	1.00
Somerset total	219.31	13	20	18.1	16	2	69.10	150.21	0.32	0.68

GRZ	195.64	12	20	0	16	2	50.00	145.64	0.26	0.74
LDRZ	23.68	1	0	18.1	0	0	19.10	4.58	0.81	0.19
Boat Harbour Beach LDRZ	10.07	1.1		1.75	7.1		9.95	0.12	0.99	0.01
Sisters Beach LDRZ	70.55	0	0	3.2	10.5	0	13.70	56.85	0.19	0.81
Yolla VZ	18.19	0	0	3.9	0	0	3.90	14.29	0.21	0.79
Waratah VZ	91.51	40	1	1		1	43.00	48.51	0.47	0.53
RLZ land	1820.2					399	399.44			1.00
Total	**2576.62**	94.1	27	28	37.7	406	593.19	**562.66**	0.23	0.77

Table 10 Summary of limitations

In other words almost a quarter of the area zoned for residential uses has a limited capacity to be fully developed, based on a partial assessment of limitations.

Given that generally development will favour the 'low hanging fruit' and preferentially develop the easiest to develop land first, it is assumed the land subject to these constraints is undeveloped or underdeveloped. This conclusion was borne out by a multiple sample point review of aerial photography.

Consequently, given this constrained land will be almost completely in the undeveloped or underdeveloped land, much of the land that on paper could accommodate intensification will be difficult to develop. It is beyond the scope and capacity of this project to do a comprehensive detailed analysis of all sites and determine the exact nature and impact of all constraints. However, subtracting the area of constrained land from the area of land that on paper could contribute to intensification provides an approximate indication of the actual land area readily capable of accommodating intensification as outlined in table 11 below.

It is acknowledged that constrained land does not equal undevelopable land and so it can rightly still be considered to contribute to land supply, albeit at a diminished rate. Given that this constrained land is likely to yield fewer and larger lots at a slower pace this constrained land is assumed to deliver only 20% of the lots that unconstrained land would deliver. This figure is an average considering the diversity of constraints and the likelihood that over the life of this strategy bottlenecks that are presently constraining development of some sites will be overcome as adjoining sites get developed. However, barring abrupt increases in land values it seems that the difficulties that have made them difficult to develop in the past will continue to deter development in the future.

In relation to table 11 below:

a) The *area of potential intensification* (ha) is as identified in table 8, it comprises vacant lots and lots that are large enough to be subdivided to accommodate multiple average size lots.
b) *Constrained area of potential intensification* (ha) is as identified in table 8.
c) *Unconstrained area of potential intensification (ha)* is determined by subtracting constrained land as identified in (b) the area of potential intensification as identified in (a). As noted above this assumes all constrained land is within the area yet to be developed.
d) *Dwellings that can be accommodated in the relatively unconstrained area for intensification (net)* is the balance of the *area of potential intensification* as identified in table 8 after the constrained area is removed and divided by the sum of the average lot size + 25% for circulation.
e) The *Average lot size* is as noted in table 6.
f) *Dwellings that can be accommodated in constrained part of the area for intensification* (net) is an estimate of the lots that can be accommodated on constrained land. This is determined as 25% of the rate of the unconstrained area (net).

g) *Total lots that can be accommodated in area of potential intensification considering constraints* is determined by adding together the lots that can be accommodated in the relatively unconstrained land to those on the constrained land yet to be developed.

Town or village and zoning	Total area of lots	Area of potential intensification	Constrained area of potential intensification	Unconstrained area of potential intensification	Proportion (relatively) unconstrained	Average lot size (ha)	Lots that can be accommodated in area relatively unconstrained (net)	Lots that can be accommodated in constrained area (net)	Lots that can be accommodated in area of potential intensification considering constraints
Wynyard and Doctors Rocks total	346.78	138.06	54.1	83.96	0.64		481	78	559
GRZ	344.69	137.06	54.1	82.96	0.65	0.139	477	78	555
LDRZ	2.09	1	0	1	0.00	0.209	4	0	4
Somerset total	219.31	101.04	69.1	31.94			174	85	258
GRZ	195.64	76.88	50	26.88	1.86	0.13	165	77	242
LDRZ	23.68	24.16	19.1	5.06	3.77	0.493	8	8	16
Boat Harbour Beach LDRZ	10.07	9.95	9.95	0	0.00	0.063	0	3	3
Sisters Beach LDRZ	70.55	29.2	13.7	15.5	0.88	0.155	80	18	98
Yolla VZ	18.19	10.55	3.9	6.65	0.59	0.253	21	3	24
Waratah VZ	91.51	53.4	43	10.4	4.13	0.184	45	47	93
RLZ land	1820.2	991.05	399.44	591.61	0.68	2.664	178	30	208
Total	2576.62	1329.04	593.19	740.06	1.25	4.29	979	292	1272

Table 11 refining assessments of land supply considering key constraints

Thus when constraints of land slip risk, unavailability of water or sewerage and other mapped constraints are considered the towns and villages of the municipality have the capacity to accommodate 1272 average sized lots in residential zones rather than **2,523** lots that a consideration of lot sizes and zoning alone would suggest as outlined in table 7.

To this total should be added dwellings in business and industrial zones. It is estimated that based on historic rates this will yield a further 4 dwellings in Wynyard and 10 in Somerset over the lifespan of this strategy. Consequently it is estimated that the towns and villages of Waratah-Wynyard has the potential to accommodate in the order of 1286 additional dwellings.

4.2.6 Occupancy Rates

Not all properties are occupied at any one time and so not all properties contribute to the actual available supply. ABS data indicates that over the last two census dates (2011-2016) dwelling occupancy rates varied

significantly. In Wynyard (Statistical Area Level 2) it is 10%, in Waratah (Statistical Area Level 2) 25.6% were unoccupied[16]. Consequently, this assessment uses the ABS occupancy rates rather than relying on an overall average.

4.3 Housing Supply

After factoring in the reductions to the theoretic maximum stock outlined in section 4.2 and occupancy rates the existing and latent dwelling stock is reduced to 1039 lots as outlined in table 12 below.

It should be noted that where the numbers of lots are small or the development activity is intermittent as is the case in the villages in the study these figures should be treated with less confidence. This is because the small sample and relatively short sample period may not completely reflect the pace of development and hence the length of time that supply will last. However, given that most of the effective potential lots (89%) are in the towns of Wynyard and Somerset or in RLZ land where the number of lots is greater and the pace of development more consistent this analysis can still provide useful insights into housing supply.

Where:

Potential additional lots considering zoning and constraints are as table 11.

Occupancy rate is from ABS census data.

Effective potential lots is the potential additional lots divided by the occupancy rate.

Historical rate of development is the number of developments of that use in that zone on average every year based on the last 4.5 years 2015-mid 2020.

Town or village and zoning	Potential additional lots at existing density considering zoning and constraints	Occupancy	Effective potential lots	Historical rate of development per annum	Years that this supply will last at this rate
Wynyard GRZ	555	0.89	494	23	21
Wynyard LDRZ	4	0.89	4	1.1	3
Somerset GRZ	242	0.89	215	19.3	11
Somerset LDRZ	16	0.89	14	0	Indef.
Boat Harbour Beach LDRZ	3	0.53	2	0	Effectively exhausted
Sisters Beach LDRZ	98	0.53	52	4	13
Yolla VZ	24	0.87	21	0	Indef.
Waratah VZ	93	0.63	59	0.2	293
RLZ land	208	0.86	179	12.7	16
Total	1243		1039	60	17.25

Table 12 land supply at current rates of development

[16] https://quickstats.censusdata.abs.gov.au/census_services/getproduct/census/2016/quickstat/604031096

The land supply can further be considered under the different population scenarios outlined in chapter 3 to provide an insight into how long the supply of housing will last under different conditions as outlined in table 13.

Where:

Population scenarios A and B are the maximum and minimum of the state government population projections which both indicate a population decline and scenario C considers a nominal 1% growth of population within the municipality.

Effective potential lots are as indicated in table 11.

Rate of development is based on approvals of development applications as outlined in Section 2.5.2, rising proportionately to accommodate the rate of development necessary to meet the different population scenarios.

Number of years that this supply will last is determined by the effective potential lots divided by the rate of development under the three scenarios.

Town or village and zoning	Effective potential lots	Rate of development p.a.				Number of years that this supply will last			
		Historical rate	Scenario A	Scenario B	Scenario C	Historical rate	Scenario A	Scenario B	Scenario C
Wynyard GRZ	494	23	23.92	26.68	28.29	21	21	19	17.5
Wynyard LDRZ	4	1.1	1.144	1.276	1.353	4	3	3	3.0
Somerset GRZ	215	19.3	20.072	22.388	23.739	11	11	10	9.1
Somerset LDRZ	14	0	0	0	0	indef	indef	indef	indef
Boat Harbour Beach LDRZ	2	0	0	0	0	exhausted	exhausted	exhausted	exhausted
Sisters Beach LDRZ	52	4	4.16	4.64	4.92	13	13	11	10.6
Yolla VZ	21	0	0	0	0	indef	indef	indef	indef
Waratah VZ	59	0.2	0.208	0.232	0.246	295	284	254	239.8
RLZ land	208	12.7	13.92	16.68	18.29	16	15	12	11.4
Total	1069								

Table 13 land supply under different population scenarios

These figures are based on existing lot sizes. As noted above it is likely that future lots will be smaller to cater for the demands of an ageing community. If average lot sizes reduce the number of lots that can be accommodated in the area capable of intensification will increase as outlined in table 13. The impact of different lot sizes is modelled below in table 14 for GRZ lots as no other zoning is located where it is appropriate for intensification, where:

Consolidation scenario 1 assumes new development within the area of intensification reduces the average lot size for GRZ lots by 5%.

Consolidation scenario 2 assumes new development within the area of intensification reduces the average lot size for GRZ lots by 10%.

These figures are on either side of the historic trend that has seen the average lot size for GRZ lots reduce by 7.2% over the last 10 years based on Waratah-Wynyard GIS data.

However, it seems highly likely that greater consolidation may be possible. Excluding outlying very large lots the average lot size in GRZ is 1180m^2 in Wynyard and 1030m^2 in Somerset. Section 10.4.9 of the Waratah-Wynyard Interim Planning Scheme states that the 'acceptable solution' for subdividing lots is that each resulting lot must have an area of not less than 330m2 excluding any access strip (which will rise to 450m^2 with the adoption of the draft Local Planning Scheme). Consequently, it is assumed that many vacant and underdeveloped lots could accommodate multiple lots of these sizes. However, mass take up of this minimum size redevelopment would be difficult to reconcile with the areas character and be difficult in many sloping or awkwardly shaped sites. Consequently, the limit of consolidation that is sensitive to the areas character cannot be reliably estimated.

Town or village and zoning	Effective potential lots at prevailing lot size	Consolidation scenario 1	Consolidation scenario 2	Number of years that this supply will last at prevailing lot sizes				Number of years this supply will last with consolidation scenario 1				Number of years this supply will last with consolidation scenario 2			
				Historical rate	Population Scenario A	Population Scenario B	Population Scenario C	Historical rate	Population Scenario A	Population Scenario B	Population Scenario C	Historical rate	Population Scenario A	Population Scenario B	Population Scenario C
Wynyard GRZ	494	519	543	21.5	21	19	17	23	22	19	17	24	23	20	19
Wynyard LDRZ	4	4.2	4	4	3	3	3.0	4	3	3	3	4	3	3	3
Somerset GRZ	215	226	237	11	11	10	9	12	11	10	10	12	12	11	10
Somerset LDRZ	14	15	15	indef	indef	indef	indef	indef	indef	indef	indef	indef	indef	indef	indef
Boat Harbour Beach LDRZ	2	2	2	exhausted	exhausted	exhausted	exhausted	exhausted	exhausted	exhausted	exhausted	exhausted	exhausted	exhausted	exhausted
Sisters Beach LDRZ	52	55	57	13	13	11	2	13	13	11	11	13	13	11	11
Yolla VZ	21	22	23	indef	indef	indef	indef	indef	indef	indef	indef	indef	indef	indef	indef
Waratah VZ	59	62	65	295	284	254	154.47	295	284	254	240	295	284	254	240
RLZ land	208	212	228	16	15	12	10	16	15	12	11	17	16	13	12
Total	1069	1117	1174												

Table 14 lot supply

A 5% reduction in the average lot size for new development will yield 48 extra dwellings and a 10% reduction in average lot size will yield a maximum of 105 extra dwellings.

4.3.1 Observations about housing supply

The figures in table 13 indicate that throughout the municipality there is adequate land supply to accommodate development. However, the areas where the demand is (on the coast) does not match where the supply is (inland) and looking at it in a little more detail it is clear we are running out of land in some areas and types much sooner than others (Table 15).

Town or village and zoning	minimum land supply (years) (increase population and lots remain the same size)	maximum land supply (years) (no increase in population and lots sizes shrink)
Wynyard GRZ	17	24
Wynyard LDRZ	3	4
Somerset GRZ	9	12
Somerset LDRZ	Too few recent developments to assess how long supply will last	
Boat Harbour Beach LDRZ	Supply exhausted	
Sisters Beach LDRZ	11	13
Yolla VZ	Too few recent developments to assess how long supply will last	
Waratah VZ	240	295
RLZ land	10	17

Table 15 ranges of land supply in different settlements

The analysis undertaken for this report reveals there are a number of key factors that can influence supply:

Reducing lot size near the town centres will create a more efficient housing market through two mechanisms;

- Firstly, it will allow the available land to accommodate more development and thus the available land will last longer before it becomes completely used up. However, whilst this is in many ways desirable it will have limited potential to reduce land take as the fragmented lot pattern makes efficient subdivision less likely. This happens as creating an efficient site for subdivision often requires costly and timely site assembly (purchase of multiple lots) consolidation and re-subdivision. Experience suggests many developers are reluctant to incur the uncertainty and inconvenience this entails.
- Secondly catering for this demand will widen the diversity of housing which will remove bottlenecks in the housing market by allowing people to move to more appropriate housing thus freeing up larger housing for larger families and households.

However, to realise these efficiencies will require finding the 'goldilocks' sizes of lots for these different market segments. Too large and they do little to address sprawl or contribute to more efficient towns. Too small and

compact and they will fail to capture the country town character that is highly valued by the community. It is after all something of the essence of what makes the towns and villages what they are.

Thus, to support desired and valued lifestyles on less land, achieve greater social objectives, meet the needs of a changing population and reduce sprawl requires we seek a corresponding increase in quality of development to ensure this more compact development can make better use of limited space and retain something of the essence of the areas character. Analysis of community values suggests that landscaping and building heights are of particular importance in retaining this character.

The estimations have assumed one dwelling per lot. It is recognised this is not always the case, as happens with strata title developments for example. However, Council records indicate only 5 strata title dwellings were approved between 2015-mid 2020 and no record exists for other developments of multiple dwellings on a single lot. Looking at the strata lots, extended for the life of this study the present rate of development would yield a further 22 lots. These would be more likely nearer town centres and so would further contribute to the consolidation of the town centres rather than the need to rezone more land on the periphery.

It should also be noted that much of the land that could be subdivided is locked up in relatively small, fragmented lots. Consequently, a large proportion of development opportunities are unlikely to appeal to professional developers. Thus, if development and consolidation are to be achieved to facilitate sustainable population growth this development is likely to rely to a large part on 'mum and dad' developers who are likely to be averse to the difficulty and cost associated with subdividing and/or developing. Furthermore, many of these lots are already occupied by a house and it can be assumed that many of the people who live in such lots will understandably be emotionally invested in their larger lots as gardens or yards. This will further reduce any motivation to develop.

4.4 Commercial Supply

Given the imperative to concentrate commercial activity in town centres as outlined in the CCRLUS and the CADP for Wynyard and Somerset found these could be met within the central area of these towns, this study defers to this finding and assumes no further provision need be made outside the CADP area.

In all settlements the CCRLUS requires that all commercial uses are located within activity centres. In the smaller centres the zoning allows for commercial development.

4.5 Industrial Supply

Detailed appraisals of industrial demand is outlined in the Central Areas Plan and the Industrial Land Study North West Tasmania undertaken for the Cradle Coast Authority by SGS in 2016. Both studies found that projected needs could be met within the land already zoned.

The latter study notes that North West Tasmania contains 172 suitable and vacant industrial lots, totalling 407.4 hectares. 133.8 hectares of this land is in Waratah-Wynyard which represents 32% of the total for the North West. Wynyard has 112.0 ha of suitable vacant land and Somerset has 21.8 ha of suitable vacant industrial land. The Industrial Land Study identifies Wynyard as a regionally significant precincts for future growth, nominating export orientated industries, transport and warehousing and local service industries as key sectors for this precinct. In relation to local industries the Industrial Land Use strategy identified a demand of 0.8ha.

The Industrial strategy noted the need to strategically position the regionally significant precincts and optimise their suitability for industrial uses. It stressed the importance of careful planning to achieve this outcome and nominated measures such as minimum lot size, urban design criteria and access requirements.

4.6 Implications for this Strategy

This chapter tells us there is a mismatch between where the supply is and where the demand is. This renders some of this supply irrelevant to meeting people's needs. Consequently, sustainable growth is likely to require at least an element of urban expansion.

Furthermore, in most settlements a great deal of this underdeveloped and undeveloped land is in fragmented and relatively small lots. This land is comparatively difficult to develop and tends to be unappealing for developers, consequently realising its potential will require fostering interest by 'mum and dad' developers.

The relatively small household size compared to the size of the houses suggests there is a latent demand for smaller dwellings. Given the ideal place for this development is nearer town centres in land that is typically GRZ redeveloping this land will not require rezoning therefore cannot be mandated through the planning system and will require encouragement and private sector leadership.

5 Conclusions

Meeting aspirations for a sustainable future for the towns and villages of Waratah-Wynyard municipality requires broadening the demographic base of our communities and protecting the valued natural assets that are core to the areas appeal. Consequently, achieving a desirable outcome for Waratah-Wynyard requires a delicate balance of growing the population whilst not growing the physical footprint of the towns and villages.

This will be challenging as growing the population requires reversing the prevailing trajectory of stable to declining population. Also, the prevailing trend towards reducing household size means that more houses will need to be built to house everyone, even if populations decline.

The existing patterns of development though valued also bring problems. Uniformly low-density development spreads dwellings more thinly and means that a higher proportion of dwellings are further away from town centres than they would otherwise be in a more compact town or village. This has unwelcomed public health and resource consumption consequences. This is because it fosters car dependence, makes walking to shops/school impractical, generates extra traffic and creates pressure to expand towns and villages and build over ecological, agricultural and landscape assets.

There are enough vacant and underdeveloped lots within existing zonings to accommodate the number of lots needed to house everyone. However, the distribution of these lots does not map over the hotspots of demand and within those places where demand is relatively strong many lots are constrained. In addition to these constrained lots other theoretically developable lots are not being developed because of low interest in development and an understandable attachment to a pattern of large backyards that comes with low density living. Consequently, there is a need to keep a door open to some refinement of boundaries and some limited expansion of the urban footprint to facilitate future aspirations for growth.

The area for expansion need not and should not be relied upon to accommodate all the needed or aspired growth. To a large extent diversifying the range of dwellings will free up bottlenecks in the existing housing market that will allow it to better meet the community's needs. In particular the provision of smaller dwellings better suited to an older generation (more central, nearer services and transport and easier to maintain) will allow this significant and growing demographic to move into more appropriate housing. This in turn will free up larger dwellings that are more likely to provide a better fit for younger families.

This change in stock will impact character. Care will need to be taken to ensure the form, intensity and design of the new development reflects this character as far as possible whilst balancing the extra costs imposed by higher design standards.

Another significant factor is the fragmentation of lots. Many of the potential sites capable of intensification are relatively small and would only yield an extra lot or two with relatively few sites capable of accommodating broad acre development. Anecdotally it seems that that many of these lots are seen as valued back yards rather than pending development sites. As such if we are to achieve aspirations of consolidating development within the existing footprints of our towns and villages we need to unlock these sites. This means making it easier for 'Mum and Dad' developers to realise this potential and providing reassurances their amenity can be protected.

A further key factor is the variety of variables both known and unknown that may impact future growth. Consequently, rather than locking in a target that may be overtaken by events it is more important to build flexibility and resilience into any strategy.

5.1.1 Modifiable factors influencing population growth

The factors and objectives described below might be seen as the levers that can be pulled from within Waratah-Wynyard to minimise expansionary pressures whilst supporting growth. They are:

Factor influencing population growth	Objective to support sustainable growth

Built character	Reconcile consolidation with retaining and enhancing character
Take up of development opportunities	Support 'mum and dad' developers to subdivide larger lots in a manner that increases yield whilst retains valued character Facilitate consolidation Provide certainty for developers
Liveability	Protect ecological and social resources upon which liveability is based Facilitate walkability, access to recreational and social opportunities, deter traffic and vehicular dominance of towns and villages, diminish risk
Housing diversity	Widening diversity of dwellings to ensure a more efficient housing market with 'something for everyone'
Internet access	Increase speeds and reach of internet access
Economic growth	Identify and promote commercial and industrial opportunities Protect industrial and commercial opportunities from inappropriate development

Table 16 Modifiable factors