

# Submission

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## Planning Provisions for Affordable Housing

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## About Shelter WA

Shelter WA is the peak body for affordable housing and homelessness in Western Australia. It was founded in 1979 as an independent community based peak body committed to accessible, affordable and secure housing for every Western Australian. Shelter WA provides a link between government and the community through consultation, research, systemic advocacy, and policy advice and development. Our role is to provide an independent voice on housing rights and options in the state along the housing continuum. Our work focuses on promoting the development of appropriate affordable housing options for low to moderate income earners, those who are otherwise disadvantaged in the housing market and people experiencing homelessness.

Shelter WA promotes a diverse range of affordable housing options including social housing, housing within the private rental market and affordable home ownership. Shelter WA also provides community education, and advice to government on housing policy issues. Our development of policy recommendations is based on sound research and consultation with housing consumers and organisations working on housing and related issues.

## Shelter WA's Response

### 1. The role of planning in delivering affordable housing

**Do you think the planning system should play a role in helping to deliver affordable housing?**

Shelter WA believes the planning system plays an integral role in helping to deliver affordable housing - the WA State Government has a key role in developing strategic and statutory policy guidance by ensuring the provision of affordable housing becomes an important consideration for the state. It also has a role to play in informing local governments about their responsibilities in the development of affordable housing in Western Australia. Local governments are required to 'meet the needs of current and future generations' under Section 1.3 of the Local Government Act (1995). Shelter WA believes the provision of appropriate and affordable housing is central to meeting the needs of current and future generations, and therefore needs to be planned for effectively.

The WA State Government, through the [Draft State Planning Strategy \(2012\)](#), outlines the objective to provide ‘incentives and requirements for affordable housing (that) are enabled through the planning system’ as well as ‘innovative housing tenures such as housing cooperatives and community titling are introduced into the market’. The state must take responsibility for these issues, as it is clear the federal government is to have a reduced role in the provision of affordable housing. This is evident in the amalgamation of national Housing/Homelessness and Social Services portfolios, as well as Tony Abbott’s statement that ‘...home ownership is part of the great Australian dream but that is essentially a state government matter’ (Gothe-Snape 2013). At the AHURI National Housing Conference on 30 October 2013, Kevin Andrews also suggested the states need to take the lead in the supply of housing.

The state government has taken responsibility for housing affordability in Western Australia, as is evidenced by statements made in the *Draft State Planning Strategy* and the *State Affordable Housing Strategy 2010-2020*, but it is essential these strategic documents are clear and consistent about the different roles of the state and local governments (Department of Housing 2010).

## 2. Planning mechanisms to deliver affordable housing

### Effectiveness of Implementation Mechanisms outlined in the discussion paper

Mechanism	Very	Somewhat	Not at all	Unsure
Barrier reduction strategies (e.g. limits on restrictive covenants)		X		
Protective mechanisms (e.g. prevent or mitigate demolition or loss of affordable housing)		X		
Planning incentives (e.g. density or height bonuses)		X		
Voluntary negotiated agreements (e.g. as part of broader rezoning process)		X		
Mandatory provisions (e.g. provide land, housing or cash for affordable housing in each development)	X			

### Comments on the effectiveness, benefits and drawbacks of each mechanism

#### a) Barrier reduction strategies

Barrier reduction strategies are effective in encouraging development of affordable housing and reducing restrictions through planning policy at a state and local level. Barrier removal can have a direct influence on house prices, especially at the lower end of the market where margins between profit and production costs are smaller. They also work to create a diversity of housing types. They ensure that affordable rental housing, such as boarding houses or hotel accommodation, remains permissible and can be replaced.

Barrier reduction strategies enable existing housing to diversify without dramatic changes to the neighbourhood, or even a need for new investment. An example of this was the recent amendments to the use of ancillary dwelling accommodation, or 'granny flats' in the State Planning Policy 3.1- Residential Design Codes (R-Codes) in August 2013.

Barrier reduction strategies will have the greatest impact in circumstances where new land release is limited. They will also have the greatest short-term impact where existing planning controls are most restrictive. Removing these barriers could actually stimulate the market.

There is no guarantee that full development cost savings will be passed onto the occupant of the dwelling, as market forces determine house prices. In a competitive market with low vacancy rates, these controls will be less effective. Even with this limitation, the housing diversity that can result from barrier reduction should be seen as positive. At the same time, it is essential to avoid removing controls which are important for other planning criteria, such as public safety, environmental protection, heritage, or the efficient provision of infrastructure and amenity.

## **b) Protective mechanisms**

Protective affordable housing strategies keep low-cost accommodation within an area or work to mitigate its loss. Policies can be site-specific or can target incremental changes which reduce the supply of affordable housing over a long period (Gurran 2008).

Many areas retain important supplies of affordable accommodation, such as low-cost rentals, boarding houses, hotel accommodation, shop top apartments and caravan parks. Redevelopment of these sites to accommodate population growth or the upgrading of housing stock can cause gentrification, pushing out lower-income groups. Protective mechanisms can control demolition, change of use, and redevelopment of affordable housing stock.

Protective mechanisms can also include setting aside a proportion of new housing to be available for low-income households. They should be used in combination with other mechanisms as part of a long-term housing strategy, as they protect the current stock but do not contribute to new stock.

Protective measures can have a positive impact when:

- existing supply of low-cost housing is under threat of redevelopment. It is important in times of rapid population growth, such as what is currently occurring in WA;
- there are limited alternative sources of low-cost housing remaining in an area;
- they are applied to specific sites.

Protective measures are important in both the inner city, where boarding houses and hotel rooms are located, as well as middle and outer ring metropolitan areas which contain rental units, caravan parks or manufactured home estates. These measures are therefore applicable in most cases, but need to be site specific.

There are some limitations with the use of protective measures, including that they:

- require planning staff to be trained to interpret the requirements and have knowledge of the location of existing low-cost housing;
- can act as a deterrent to renovation;
- must be strengthened by grant programs;
- might deter operators from maintaining their housing stock or encourage them to run down stock or leave it vacant;
- may deter new redevelopment applications.

### **c) Planning incentives**

Planning incentives are valuable in encouraging developers to provide more affordable housing. They can directly and indirectly reduce costs and increase profits for developers, and also lead to positive housing outcomes.

The use of planning incentives is preferable to blanket re-zoning, as it puts councils in a better position to leverage affordable housing from developers. When re-zoning land, the value of the land automatically increases with an increase in density. The process of re-zoning can also lead to land speculation which also works against housing affordability. Land holders therefore make an increased profit by just holding onto the land. If local governments make density bonuses conditional on the inclusion of affordable housing, they'll have better leverage to push for a contribution to affordable housing.

What are they likely to achieve?

- Incentives that make lower-cost housing more profitable will work to increase the supply of these dwellings in the market.
- Incentives that reduce costs for affordable housing developers should increase the proportion of regulated housing and therefore strengthen the capacity of the market.
- Incentives which seek to share the profit created by a specific planning bonus by a contribution requirement will result in a modest amount of dedicated affordable housing.
- Incentives do not require up-front subsidy or investment, maximising existing government investment in affordable housing.
- They can contribute to multiple objectives, for instance if increased density is sought in an area it can be combined with housing objectives.

Limitations of planning incentives:

- Voluntary planning incentives have been shown to have less of an impact than mandatory incentives. Combined with mandatory requirements, they can have a larger impact.
- In WA, where costs of construction are notably expensive as density increases above 3-4 stories, planning incentives may not support increased affordability.
- Planning incentives must not undermine environmental qualities and should not place the burden on the target group moving into accommodation or future users.

- It can be time-consuming, expensive and legally complex to administer an annual contribution program.

Incentives that make lower-cost market housing more profitable by reducing development standards are likely to have the greatest impact in a high-value market where low-cost housing has limited viability. This mechanism is most effective in market niches. Incentives to share profit created by a specific planning bonus depend on buoyant market activity and high land values.

#### **d) Voluntary negotiated agreements**

Voluntary negotiated agreements can be effective in achieving affordable housing. The impact of voluntary negotiated agreements depends on the size of the project and the amount of affordable housing or financial contribution available in each specific case. Large developments generally involve much negotiation and therefore a contribution to affordable housing could fit in this process.

Some of the potential limitations of voluntary negotiated agreements are that:

- Negotiations can be time-consuming and can delay the planning approval process.
- Lack of certainty for developer profits.
- Requires skilled planning staff.
- There are various developer contributions and other more important contributions may take precedence.

#### **e) Mandatory provisions**

This measure will have the greatest impact in a buoyant market. Mandatory requirements provide protection against market inflation, as they are set at a constant rate. The impact of this contribution scheme will be effective over time, rather than in the initial years of its implementation. Mandatory requirements though, must not be so excessive as to deter development, and therefore may have to be set at a lower rate if the rate is fixed (Gurran 2008).

Mandatory approaches offer certainty, and are able to be calculated in advance when land is purchased. They reduce the requirement for excessive negotiation; even if negotiated, a mandatory framework can provide a clearer basis for local governments and developers. Transparency and fairness is high and there is evidence that mandatory requirements are well accepted by developers after implementation (Lerman 2006).

Mandatory housing requirements are also most effective in a high-value market, such as Perth and some regional areas of WA, as there is a shortage of opportunities in these areas to increase the supply of affordable housing.

Mandatory inclusionary policies are likely to require significant policy and political effort. Mandatory inclusionary zoning is currently not supported at a state level, with the Department of Housing's *Affordable Housing Strategy: Opening Doors to Affordable Housing* recommending against its use. The strategy, however, does promote the inclusion of 15% of development parcels for affordable housing for all land sold by LandCorp, a state funded organisation (Department of Housing 2010). The strategy does not promote mandatory inclusionary zoning for private developments. This may be due to the view that inclusionary zoning requirements may deter development and constrict the supply of additional dwellings. Some people may also be concerned that any additional costs will be passed onto the individual homebuyer. However, this does not have to be the case. When applied properly mandatory inclusionary zoning can provide certainty for developers, increase the supply of affordable housing, and encourage a healthy mix of housing products to meet diverse needs in the community.

### 3. Preferred implementation options for Western Australia

#### The benefits, challenges or drawbacks for each Implementation Option

##### 1. Option 1 - Focus on diversity, with no specific provisions for affordable housing

This option is considered a 'business-as-usual' approach. As this option is not supported by legislative, statutory or policy mechanisms, it does not provide a strong commitment by the state. A strong commitment is needed as the population of Western Australia continues to increase, and the population of Perth and Peel advances towards a possible 5.4 million by 2050, as predicted by in the recent *Draft State Planning Strategy* (Department of Planning 2012)

The focus on 'diversity', rather than 'affordability', without any solid planning controls, puts developers in control of the affordability issue. The current affordability problems in Western Australia have been exacerbated by this lack of control. This option is not currently efficient in Western Australia, and more direction by government is required. Developers are largely profit driven, and are unlikely to ensure community outcomes, such as housing affordability are achieved.

Shelter WA supports planning provisions for a diverse range of housing options, and commends the recent state changes to support affordable housing, including changes to the R-Codes, which provides more effective usage of ancillary dwellings, and promotes multi-residential construction. There has also been a promotion of diverse and affordable housing at a local level through town planning scheme amendments and improved local planning strategies.

These recent changes are slowly diversifying existing housing stock, which does somewhat work towards affordability goals. It is clear though that this will not be enough, as the underlying demand for more dwellings still exists, and dwelling shortfalls are set to continue in the coming years (Housing Industry Forecasting Group 2013). The Housing Industry Forecasting Group also suggests that with current demographic trends, there is a shortfall of





38,000 dwellings currently in Western Australia. Simply focusing on diversity will be insufficient to deliver appropriate affordable housing to meet the growing need.

As stated in the Discussion Paper, this option is not consistent with the State *Affordable Housing Strategy 2010-2020* or future directions outlined in the *Draft State Planning Strategy*, which will mean these will need amendments to be consistent.

## **2. Option 2 – Allow incentives for affordable housing**

The amendment of the Planning and Development Act (2005) proposed in this option is a necessity to increase transparency between state and local government housing provisions. The amendment of the act will also encourage the implementation of affordable housing within local government town planning schemes and local planning strategies. The implementation of an acceptable provisions 'toolbox' will also provide clarity around these issues.

The proposal only supports voluntary incentives however, which means it has a reduced capacity to facilitate affordable housing in the long-term. The voluntary approach means developers can 'opt in' if they choose; but does not contain statutory weight for achieving affordable housing. This option does not support changing the R-Codes to include the provision of affordable housing. Shelter WA supports changes to these statutory codes, as this will provide policy backing and also consistency across the state. However, this option which focuses on voluntary incentives will be insufficient to address the growing need for affordable housing.

## **3. Option 3 - Allow mandatory provisions in selected areas**

Shelter WA supports mandatory inclusionary zoning which is included in both Option 3 and Option 4. Option 3 would allow mandatory provisions in selected areas. The implementation of Options 3 and 4 ensures that 'affordability' of housing is incorporated in statutory planning, rather than just 'diversity' goals. Ensuring that affordability is included as a statutory requirement will mean that local governments have to take this issue seriously and implement changes. Gurrin (2008) explains that local governments are instrumental in ensuring local residents are able to access a range of diverse and affordable housing options based on their needs; but that state requirements on affordable housing are what provide this needed top-down support and guidance.

While mandatory provisions may be most suitable for particular areas, particularly in the inner and middle ring of metropolitan Perth, having it restricted to specific areas may cause confusion or resentment among developers and the public. Therefore, Shelter WA supports Option 4 in order to provide clarity, consistency and certainty for developers.

## **Option 4 - Allow mandatory provisions in all areas**

Shelter WA supports Option 4 because it has the potential to increase the supply of affordable housing throughout the metropolitan area. Option 4 provides developers with certainty and consistency across jurisdictions. Mandatory inclusionary zoning offers certainty for developers, as any additional costs are able to be calculated in advance when



land is purchased. They reduce the requirement for excessive negotiation and provide transparency for policy makers and developers (Gurran 2008). There is evidence that mandatory requirements are well accepted by developers after implementation (Lerman 2006). While there may be some resistance initially, once mandatory inclusionary zoning because part of the fabric of the planning system, developers will adapt to these conditions.

Mandatory inclusionary zoning has worked effectively in many places including the US, UK and parts of Australia. Several of these examples can be found in Gurran et al (2008). In South Australia there is a requirement for all new 'significant' developments to include 15% affordable dwellings comprising of 10% affordable housing and 5% of which is targeted to high needs households. In WA, several jurisdictions have implemented mandatory provisions including the Metropolitan Redevelopment Authority which has a target of 12% affordable housing for new developments over 10 units, delivered in combination with the Department of Housing and community housing providers.

In their examination of international experiences of planning for affordable housing and its application to Australia, Gurran et al (2008, 7) concluded that:

In an Australian context, incentives will create the most value within inner city or very high value coastal areas. Similarly, mandatory requirements for affordable housing contributions (either negotiated or as a fixed amount) will usually have the greatest yield in inner city locations and in outer fringe release areas where there is significant value uplift associated with a rezoning. In middle ring areas or Greenfield areas where the gap between affordable home purchase costs and actual market value is relatively small, there is an opportunity to require a significant proportion of new housing to be made available for low and moderate income home purchasers, or for allocation by social housing providers.

While the conditions vary in different segments of the market, mandatory provisions can be an effective tool (along with bonuses, concessions and incentives) to deliver more affordable housing in metropolitan Perth and parts of regional WA. Regional areas of WA will require more flexibility because the market conditions vary drastically from one regional area to another.

Greive (2012) explains that inclusionary zoning can achieve the following:

- Encourage the production of affordable housing appropriate to the needs of the local government area's current and future population.
- Facilitate mutually beneficial partnership arrangements with local community service providers, agencies and institutions for resourcing, developing, and managing affordable housing within the local government area. These partnerships should work towards the local housing goals of:
  - Collaborating with the local network of social housing providers to respond to the emergent housing needs of residents;
  - Facilitating the generation and efficient utilisation of community and private sector resources aligned with affordable housing objectives; and
- Fostering joint venture housing development projects and managing long term affordability requirements.

As with any changes to the planning system, a system of mandatory provisions must be implemented very carefully and needs to be coupled with incentives and bonuses for developers to ensure that the mandatory provisions do not deter development. As is touched on in the *Discussion Paper*, the effects these provisions have on the complexity of the planning system need to be taken into account. If the provisions negatively impact on the time in which land/housing can be brought to market it will actually work against affordability goals. Land/housing supply and availability is already stretched according to recent evaluations, and this could exacerbate the problem (Housing Industry Forecasting Group 2013). Housing market conditions in Perth, and parts of WA, are conducive to the introduction of mandatory provisions. In some cases a cash-in-lieu payment will be more appropriate than actual dwellings within a development. This will create a pool of funds to be accessed by community housing providers to create more affordable housing.

The key to mandatory provisions being successfully implemented will be providing certainty for developers so they are operating within a framework that is clear and consistent. Successful implementation will also depend on developing effective systems for the delivery of affordable housing, including developing direct links with the Department of Housing and/or community housing providers to ensure that those agencies (as opposed to the developer) are responsible for ensuring that the new tenants/owners are income eligible and that the property remains affordable in perpetuity. As mentioned earlier, there are many successful examples of mandatory provisions for affordable housing in Australia and overseas, and WA can adapt these models to meet the local conditions.

**With your previous answers in mind, which of the four Implementation Options do you think presents the most appropriate approach for the planning system to deliver affordable housing in Western Australia? If you have further comments explaining your choice, please provide them.**

Shelter WA supports the implementation of **Option 4**, to allow mandatory provisions in all areas. As described above, allowing mandatory provisions in all areas would provide the most certainty and consistency that is needed to (a) deliver the best affordable housing outcomes and (b) allow developers to make decisions based on consistent and transparent information.

#### **4. Alternative implementation options for Western Australia**

Shelter WA believes the range of options presented in the Discussion paper cover the variety of ways that the planning system can improve housing affordability. The options presented in the Discussion paper are consistent with research by the Australian Housing and Urban Research Institute (AHURI) and in *Affordable Housing National Leading Practice Guide and Tool Kit* developed by Nicole Gurran (2008). Shelter WA has adopted much of this research

## 5. Other issues for consideration

Whilst the proposed reforms to the planning system are essential to achieving more affordable housing, there needs to be more information and engagement with the community about affordable housing developments in their areas. This needs to occur in conjunction with policy changes, as negative perceptions about affordable housing developments may undermine any new provisions for affordable housing in the planning process (Davidson, et al. 2013).

Opposition to affordable housing projects can lead to construction delays and costly amendments for affordable housing developers and in some severe cases can lead to the abandonment of projects (Davidson, et al. 2013). This opposition can increase construction and planning costs and mean the final product is no longer affordable and therefore inappropriate for low-income earners. Therefore, it is crucial that reforms be coupled with a wider-ranging strategy for promoting affordable housing across the state. The AHURI research paper [Understanding and addressing community opposition to affordable housing development](#) provides excellent strategies to mitigate community opposition, and Shelter WA recommends adopting some of these strategies along with any new planning provisions for affordable housing.

- **Should state or local governments decide when and where affordable housing provisions, of any kind are applied? How should this be determined?**

The state government needs to take action on the application of affordable housing provisions, as local governments are generally unwilling to take on this responsibility, especially in areas which are already stretched for resources (Beer, et al. 2011). It would be advisable however that the state require that local governments develop Affordable Housing Strategies. These strategies would include comprehensive information about the housing needs of the locality, and would work to inform state government policies and strategies, therefore informing the provision of affordable housing measures.

- **Which legislative, statutory or policy instruments (legislation, State planning policies, local planning schemes, etc) should include affordable housing references and provisions?**

Shelter WA supports the use of State Planning Policies and State Planning Strategies to support the inclusion of affordable housing. These provisions are identified in the *Planning Provisions for Affordable Housing Paper*, but also such vehicles as the *Draft State Planning Strategy* released earlier this year. However, this document was very broad in its approach to affordable housing and future strategies need to outline more specific 'on-the-ground' outcomes.

Shelter WA believes local governments need to take a proactive role in reviewing existing planning frameworks to include provisions for affordable housing, including town planning schemes, local planning strategies and affordable housing strategies, so they are dynamic and can ensure appropriate housing types and densities. As stated previously, local governments can do this through ensuring the policy commitments outlined in Shelter WA's [\*Local Government Guide to Developing an Affordable Housing Strategy\*](#). Local governments can also take a proactive role in identifying their community needs by undertaking needs assessments, particularly in relation to social housing. This should be done by developing affordable housing strategies for each local government area. Shelter WA urges that these strategies are statutorily required to support affordable housing provision in Western Australia.

- **Which planning incentives are likely to be most effective in encouraging developers to provide affordable housing (e.g. density bonuses, relaxation of height controls, prioritised planning approvals)? In which locations or property market conditions are different incentives likely to be most effective, or ineffective?**

Different planning incentives are effective in different areas, and for different types of development. This is outlined in more detail in the matrix below derived from Gurrin (2008):

Market mechanism	Inner city	Middle ring	Outer ring/growth area	Regional (high growth)	Regional (low growth)
Graduated standards	supports affordable housing in high cost market	affordable housing more viable for private/non-profit sector	affordable housing more viable for private/non-profit sector	affordable housing more viable for private/non-profit sector	if graduated standards reduce land or building costs
Planning bonuses	bonuses, particularly density bonuses in high-cost market	depends on scale of development and value of bonus	supports lower cost housing for rental or home ownership	supports lower cost housing for rental or home ownership	if bonus creates significant value
Planning process incentives	fast track planning gives certainty and savings	fast track planning gives certainty and savings	fast track planning gives certainty and savings	fast track planning gives certainty and savings	Encourages some affordable housing if process fast and likely approval

- **What types of mandatory provisions are likely to be most effective, or ineffective?**

Similarly to planning incentives, mandatory provisions can be more or less effective depending on the location and provision. This is also outlined in another matrix derived from Gurrán (2008, 81):

<b>Market mechanism</b>	<b>Inner city</b>	<b>Middle ring</b>	<b>Outer ring/ designated growth area</b>	<b>Regional (high growth)</b>	<b>Regional (low growth)</b>
Mandatory contribution, (fixed amount, threshold approach)	as contribution valuable in high-value market	particularly if contribution relates to lower-cost home ownership/purchase by social housing provider	if mandatory contributions are known in advance, can be accommodated in land price and offset by value increase with rezoning	fixed mandatory contributions can be accommodated in land price and offset by value increase with rezoning, but needs to be widespread or developers will look for opportunities not constrained	may deter housing in low growth, low value context
Mandatory contribution (negotiated amount)	as planning leverage and contribution valuable in high value market	negotiation more resource intense but can maximise contribution in relation to opportunities of site	negotiation more resource intense but can maximise contribution in relation to opportunities of site	useful when there are limited other development opportunities	may deter housing in low growth, low value context
Onsite contribution	valuable in high-value market	can provide housing and tenure mix	can provide housing and tenure mix	relevant for master planned estates, a good way to achieve housing and tenure mix	if site is appropriate for affordable housing and can sustain contribution
Offsite/cash contribution in lieu	may be insufficient to access to enable a housing opportunity in a similar location	useful if housing not suitable for affordable sector	useful if housing not suitable for affordable sector	if there are high value sites where capacity is limited and there are well located alternatives	if site is available to sustain a contribution

- **Should affordable housing requirements relate to property value (rental or sale price), household income, or both?**

The affordable housing requirements could relate to either property value or household income, depending on who manages these assets. Household income is an appropriate measure if the asset is to be managed by a community housing provider. In this regard, Shelter WA promotes the management of affordable housing assets by community housing providers (or the Department of Housing, depending on the project), as a way of ensuring affordability is protected and appropriately managed. Affordable housing assets should be protected by a covenant on the title to ensure these assets aren't 'lost' in the future, especially with changes in government or government policies. Further, if managed by a community housing provider, this would also ensure it is done at below market rate, due to concessions available to these organisations. Community housing providers are also seen to have a common interest in maintaining affordable housing, and experience in doing means testing, which Shelter WA also promotes. These organisations are also audited by government (Department of Housing) and therefore must maintain a high level of transparency. All of which are valuable to ensure appropriate long-term management of these assets.

Some community housing providers also have experience providing mixed income, mixed tenure developments. The trend in WA, as with the rest of Australia and indeed many other countries, is that the community housing sector must grow to accommodate the dearth of public housing. Mandating the provision of affordable housing, with the management of assets by the community housing sector would achieve this. Diversification of the social housing system, and particularly providing a greater proportion of community housing, has many benefits. Community housing providers are able to leverage finance for affordable housing through GST subsidies, cross-subsidies across tenancies, tenants accessing Commonwealth Rent Assistance, and limited developer contributions through the land use planning system (Milligan, et al. 2005).

## Conclusion

Shelter WA welcomes the opportunity to contribute to the *Planning Provisions for Affordable Housing Discussion Paper*. We would like to commend the recent work by the Department of Planning and also the Western Australian Planning Commission in generating discussion through this paper and through the *Planning makes it Happen: Planning Reform Discussion Paper*. It is hoped these two documents, combined with other strong strategic and statutory planning documents, will see more favourable affordable housing outcomes in the future for the Western Australian community.

Shelter WA supports Option 4 to allow mandatory provisions in all areas. Shelter WA urges that new affordable housing developments constructed out of these planning provisions should be managed by social housing providers, as the growth of this sector is essential, particularly in a housing market such as Western Australia, where many households cannot access housing in the private market (Shelter WA 2012). In most cases, community housing



providers will be best suited to own and manage new affordable housing dwellings. In other cases it may be most appropriate for properties to be made available for affordable home purchase in conjunction with the Department of Housing's shared equity program and/or offered to Keystart customers.

Shelter WA notes that if these mandatory provisions were to come into effect, it would be appropriate for the State to require local governments to develop Affordable Housing Strategies, as touched on earlier in this paper and in the [Shelter WA Policy Platform 2013-2015](#). This should also be done in conjunction with a robust strategy to build community support for affordable housing developments, as this is crucial to the success of affordable housing development in Western Australia.

The planning system has an important role to play in supporting the provision of affordable housing in WA. The *Planning Provisions for Affordable Housing Discussion Paper* presents various options to improve our planning system and deliver better outcomes for the provision of affordable housing. Shelter WA supports these efforts and will continue to work with government to increase affordable housing options for people across WA.



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