

# Planning and Development

## Maximising social and affordable housing supply through planning and development.

The land use planning system plays a key role in delivering housing availability, diversity, accessibility and affordability. Planning levers can facilitate the supply of new social and affordable housing, via a range of planning and development concessions or through mandatory inclusionary zoning policies.

Conversely, and as seen in our current day outcomes, where the planning system does not explicitly require diverse and affordable housing outcomes, such outcomes are seldom provided by the private market.

A lack of housing diversity and unequal access to housing produces urban and regional inefficiencies, including sprawling development patterns and a loss of economic productivity, as key workers are unable to access housing in locations close to their place of employment.<sup>1</sup>

There is an opportunity to better utilise planning levers to drive inclusive communities, where good social and affordable housing options are available across the urban fabric providing housing choice close to services and amenities.

Inclusionary zoning is one of the few proven strategies for locating affordable housing in wealthier neighbourhoods and maintaining diverse communities. By requiring a certain percentage of new development to be social and affordable housing, inclusionary zoning can produce a steady supply of social and affordable housing supply into the system.<sup>2</sup>

Other complimentary planning mechanisms to increase supply include planning concessions, density bonuses and negotiated voluntary planning agreements.

**Shelter WA supports the need for a mandatory inclusionary zoning (MIZ) for private development, and additional targets for the delivery of social and affordable housing on government land.** An MIZ policy should be based on the national framework developed by The Constellation Project (a collaboration of corporate, academic, and not-for-profit organisations).<sup>3</sup>

Shelter WA also supports the development of consistent processes and frameworks for state and local government use of planning and developer concessions.

**To maximise these planning levers, there is an opportunity to refine the definition and targets for 'affordable housing' in planning policies and frameworks.** The current definition is predominantly delivering affordable ownership products but little to no social or affordable rental housing. A new definition and specific targets for social and affordable rental dwellings would ensure the policy delivers housing across the housing continuum as intended.

**Community Housing Organisations (CHOs) are the natural partners in the delivery of social and affordable housing produced through planning policies such as MIZ.**

<sup>1</sup> Gurran, N. et al (2021) Urban productivity and affordable rental housing supply in Australian cities and regions. Final Report No.353.

<sup>2</sup> Gurran, N. et al (2018) Supporting affordable housing supply: inclusionary planning in new and renewing communities

<sup>3</sup> The Constellation Project (2021) Establishing a national framework for Mandatory Inclusionary Zoning. Retrieved from: [https://theconstellationproject.com.au/wp-content/uploads/2021/09/Mandatory\\_Inclusionary\\_Zoning-Final.pdf](https://theconstellationproject.com.au/wp-content/uploads/2021/09/Mandatory_Inclusionary_Zoning-Final.pdf)

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As the government land developer, Development WA is tasked with the development of significant projects on government land. The transfer of development functions from the Department of Communities to Development WA provides an opportunity for innovation and reform, including greater use of long term leasehold options for government land (based on the Victoria's Ground Lease model) to increase the supply of social and affordable housing.

## Shelter WA recommendations:

- That the WA State Government amend the Planning and Development Act 2005 to include social and affordable housing outcomes as an objective of the Act and include definitions of social and affordable housing in the *Planning and Development (Local Planning Schemes) Regulations 2015*.
- That the WA State Government require at least 30% of housing on state and local government land to be social or affordable housing, including at least 50% of that to be social housing and with specific targets for affordable rental dwellings.<sup>4</sup>
- That the WA State Government introduce mandatory inclusionary zoning (MIZ) of 10% social and affordable housing in multi-residential private development in metropolitan areas where there is a demonstrated need for social and affordable housing.<sup>5</sup>
- That Development WA establish an option for long term leasehold of government land to facilitate the delivery of social and affordable housing in perpetuity, managed by CHOs.
- That the WA State Government modify the *Local Planning Strategy Guidelines 2021* to require Local Planning Strategies to set targets for provision of affordable housing in line with housing needs analysis (and that these targets align with state government targets and strategies).
- That the WA Government deliver reform of the planning and approvals system to drive housing diversity and affordability as set out in the *WA Housing Strategy 2020-2030*.
- That the WA State Government develop consistent definitions, processes and frameworks for the delivery of social and affordable housing through planning policies and incentives (including planning concessions, density bonuses and inclusionary zoning measures)<sup>6</sup>.
- That the WA State Government amend the *State Planning Strategy 2050* and *State Planning Policy 2* to incorporate the State Government's net zero by 2050 target, including carbon reduction benchmarks for all development, public and private. This should include a requirement for all-electric new homes.<sup>7</sup>
- That the WA State Government implement the updated accessibility and energy efficiency standards in the 2022 National Construction Code (NCC) update in WA, with transparent transition timelines.

<sup>4</sup> This process should be facilitated by the State Government in partnership with CHOs.

<sup>5</sup> This is in line with the proposed MIZ national framework developed by The Constellation Project (2021). For more information see: [https://theconstellationproject.com.au/wp-content/uploads/2021/09/Mandatory\\_Inclusionary\\_Zoning-Final.pdf](https://theconstellationproject.com.au/wp-content/uploads/2021/09/Mandatory_Inclusionary_Zoning-Final.pdf)

<sup>6</sup> Please refer to Policy Position on Affordable Rental Housing for more detail about affordable housing definitions.

<sup>7</sup> This is in line with the national policy position of PIA.