

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 essential workers are unable to access housing in locations close to their place of employment.^[1]

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.^[2]

Other complimentary planning mechanisms to increase supply include planning concessions, density bonuses, negotiated voluntary planning agreements and appropriately targeted disincentives (eg, vacancy tax).

Shelter WA supports mandatory inclusionary zoning (MIZ) for private development, and additional targets for the delivery of social and affordable housing on government land.^[3]

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 a need to refine the definition and targets for 'affordable housing' in planning policies and frameworks. The current definition has historically produced predominantly affordable ownership products but limited social or affordable rental housing. Clearer upfront definitions and specific targets for social and affordable rental dwellings would ensure policies deliver housing across the housing continuum as intended.

Community Housing Organisations (CHOs) are the natural partners for the delivery of social and affordable housing produced through planning policies such as MIZ. A successful MIZ policy would need to involve the community housing sector in the development of clear processes for the transfer of social and affordable housing produced through the policy.

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*.

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

[2] Gurran, N. et al (2018) Supporting affordable housing supply: inclusionary planning in new and renewing communities

[3] An MIZ policy could be based on the national framework developed by The Constellation Project (a collaboration of corporate, academic, and not-for-profit organisations). 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



PLANNING AND DEVELOPMENT

- That the WA State Government require at least 50% of housing on state and local government land to be social or affordable housing, including at least 30% of that to be social housing and with specific targets for affordable rental dwellings, with the process facilitated by the State Government in partnership with CHOs.
- That the WA State Government introduce mandatory inclusionary zoning (MIZ) of at least 10% social and affordable rental housing, managed in perpetuity by CHOs, in multi-residential private development in metropolitan areas.^[4]
- 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 and apply consistent definitions and processes for the delivery of social and affordable housing across programs, planning policies and incentives (including planning concessions, density bonuses and inclusionary zoning measures).^[5]
- 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.^[6]
- That the WA State Government endorse and implement future updates to the NCC energy efficiency and accessibility standards in line with nationally agreed timelines.

[4] 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

[5] Please refer to Policy Position on Affordable Rental Housing for more detail about affordable housing definitions.
[6] This is in line with the national policy position of PIA.