

23 June 2023

Committee Secretary
State Development and Regional Industries Committee
Parliament House
George Street
Brisbane Qld 4000
Via e-mail SDRIC@parliament.qld.gov.au

To Whom It May Concern,

PLANNING (INCLUSIONARY ZONING STRATEGY) AMENDMENT BILL 2023

Q Shelter welcomes the opportunity to provide a written submission to the committee's inquiry into the Planning (Inclusionary Zoning Strategy) Amendment Bill 2023.

1.0 Background

We note that in April 2023, Dr Amy MacMahon, Member for South Brisbane, introduced the Planning (Inclusionary Zoning Strategy) Amendment Bill 2023 into the Queensland Parliament. The Bill was referred to this Committee for detailed consideration.

We understand the purpose of the Bill is to essentially focus on two key objectives –

- a) build housing by requiring developers to do so, and
- b) integrating public housing with other residential areas to maximise social inclusion.

The Bill then proposes to achieve these objectives by enacting an inclusionary zoning strategy under which developers would be required to dedicate 25% of new residential dwellings (or 1 in 4), including apartment buildings and housing estates, as public housing.

2.0 Review of Stated Objectives

Q Shelter acknowledges the intention of the Bill, given the current housing crisis, and commends the Member for South Brisbane for bringing it to the Parliament for debate and consideration. By bringing this Bill forward, it amplifies an important conversation about inclusionary planning options, challenges, and opportunities in Queensland.

Q Shelter does support inclusionary planning in which inclusionary zoning can play an important part as it has in other jurisdictions.

Q Shelter does not support the Inclusionary Zoning Strategy, as it is proposed in the draft Bill, for the following reasons:

- The model proposed is too narrow and offers no flexibility across tenures and methods of provision (such as to develop social *and* affordable housing that is delivered through community housing providers);
- The model proposed is not targeted. Different approaches may be needed depending on the regional housing market for example. A uniform approach may have unintended consequences if applied to regional markets of Queensland; and
- The model proposed provides no 'notice period' or 'transition period' to allow for the market to adequately respond to the new legislation.

However, even though we oppose the Bill as proposed, we do believe the essence of the Bill is worthy of further study. We believe consideration of a wider ‘inclusionary planning’ framework is more appropriate at this time, including how such a framework might be designed, supported, implemented, and monitored for maximum effectiveness, right across Queensland.

As such, we have taken the opportunity to provide some further information on inclusionary planning for consideration in Queensland.

3.0 Proposed approach

Overview

Q Shelter’s vision is that every Queenslander has a home.

Significant and diverse inputs are required to address the housing supply and affordability challenges and to ensure there is a mix of social and affordable housing responses for lower-income and vulnerable households in Queensland.

Addressing the significant need for social and affordable housing requires governments to apply **land, planning, financial and funding levers**, and to work with and enable the private and not-for-profit sectors to deliver.

The Queensland Government is committed to delivering social and affordable housing using State planning and economic development tools, including to **‘investigate introducing inclusionary planning requirements into the planning framework’** (Queensland Housing and Homelessness Action Plan, Action 3.2).

Q Shelter strongly supports the application of planning requirements as part of a suite of solutions to address this critical social and economic infrastructure need. Q Shelter acknowledges current efforts to investigate inclusionary planning as well as progress through the Ministerial Infrastructure Designation provision now available to community housing providers and related items included in the recent Queensland Housing Summit outcomes report.

The Queensland Planning System

Q Shelter’s objectives are for a sustainable and efficient planning system that:

- Ensures all Queenslanders regardless of income, have a safe and affordable home;
- Realises housing affordability, diversity, and supply through facilitating appropriate, efficient, and sustainable land supply and development; and
- Embeds objectives and strategies in the planning system that will enable the realisation of social and affordable housing as part of a sustainable and diverse planning and housing system, whilst avoiding unintended consequences.

In considering specific inclusionary planning requirements, Q Shelter’s view is that:

- The planning system has a critical role to play in ensuring the sustainable development of land for the benefit of all Queenslanders
- If the objectives of planning to balance environmental, social, and economic objectives are to be realised, the planning system must facilitate social and affordable housing delivery.
- Planning requirements for social and affordable housing must be part of a wider system of government strategies, investment, and actions to address demand through supply.
- Clear and standardised planning system approaches to facilitating social and affordable housing are critical to providing certainty to industry and the community on expectations and outcomes.

Shared Objectives for Planning

Q Shelter believes the State Government, development industry and not-for-profit housing sectors share several objectives in relation to planning and social and affordable housing delivery, including that:

1. Dedicated social and affordable housing is critical social and economic infrastructure.
2. The planning system must continue to strive to facilitate environmental, social, and economic outcomes, requiring a clear and appropriate framework, supportive policies, and processes to realise sustainable housing supply, diversity, and affordability outcomes.
3. Reforms to the planning system are required to achieve these objectives, underpinned by sufficient investment in related infrastructure to ensure that:
 - a. planning and development are efficient
 - b. the planning system does not impact on broader housing affordability or supply
 - c. housing outcomes are sustainable, and that locational disadvantage is prevented.

Types of Planning System Responses to social and affordable housing

There is notable confusion as to what 'inclusionary planning requirements' could entail.

In practice there are a range of ways in which the Queensland planning system could facilitate social and affordable housing.

'Inclusionary zoning' is considered one type of planning requirement, defined as *"a land use planning intervention by government that either mandates or creates incentives so that a proportion of a residential development includes a number of affordable housing dwellings"* (Australian Housing and Urban Research Institute, 2017). Inclusionary zoning requirements are site or area specific.

Other forms of 'inclusionary planning requirements' could also apply. To assist in the assessment of what 'inclusionary planning requirements' will best suit the Queensland planning and development a summary of different forms of planning requirements is provided and Q Shelter suggests that a mix of these options could operate in Queensland.

Model	Summary
Mandatory developer contribution	<ul style="list-style-type: none"> • Developer contribution scheme, payable by all landowners on developments of a certain size/type. • Primarily provided as a cash contribution to a fund that is then distributed to CHO to use to develop or purchase dwellings. • Contribution is calculated as a percentage of land or development value.
Mandatory inclusionary zoning requirement	<ul style="list-style-type: none"> • Mandatory requirement on all landowners where a site is rezoned to a higher use. • Delivered on the site ('inclusionary zoning') that is rezoned in the form of land or dwellings provided to a CHO, either gifted or at a discount. • Contribution is calculated as a percentage of total residential yield or floor space.

Model	Summary
Voluntary negotiated inclusionary zoning requirement	<ul style="list-style-type: none"> • Contribution is agreed between a landowner and the State or Local Authority where a site is rezoned to a higher use and/or a planning permit is issued. • Delivered on the site ('inclusionary zoning') that is rezoned and developed in the form of land or dwellings provided to a CHO, either gifted or at a discount • May be incentivised by additional planning gain such as floor area uplift / additional density ('density bonus'). As an opt-in incentive, these types of arrangements are classed as voluntary. • Contribution is calculated as a percentage of total residential yield or floor space.
Social and affordable housing project planning requirements	<ul style="list-style-type: none"> • Specific planning requirements and processes that apply to developments that predominantly comprise Social and/or Affordable Housing. • Could entail a streamlined process and exemptions from certain planning requirements. • Intention to support timely and cost-efficient decision-making as essential infrastructure. • Appropriate definitions of affordable housing to ensure supply of housing that can be rented by people on the lowest 40% of the income spectrum at no more than 30% of their incomes.
Prevent exclusionary zoning	<ul style="list-style-type: none"> • Prevent low-density residential developments with limited housing diversity in favour of diverse housing types meeting current and emerging needs. • Through intensification and greater housing diversity, ensure enough supply of housing that is well-located near essential infrastructure and in a form that meets the needs of diverse households including consideration of the trend toward smaller households. • Build community capacity about the drivers for intensification and housing diversity.

4.0 Recommended Framework

Q Shelter recommends the following objectives as a basis for developing a shared foundation to guide the development of inclusionary planning requirements for social and affordable housing:

- **Sustainability:** The Queensland planning system ensures the sustainable development of land for the benefit of all Queenslanders, reflecting environmental, social, and economic objectives.
- **Access:** All Queenslanders, regardless of income, have a safe, secure, and affordable home, close to education, transport, employment, and services.
- **Affordability:** Queensland homes are sustainable to build and to live in, including taking into consideration costs of rent, mortgage and living.
- **Amenity and diversity:** The Queensland planning system supports the sustainable supply of a diversity of housing responses across Queensland, in particular in established areas, close to services and transport.
- **Equity and Fairness:** Planning policies and their application are equitably and fairly applied.
- **Transparent:** Policies and their application are clear, transparent, consistent, and well-communicated.

Q Shelter recommends that to be sustainable and implementable, specific planning system requirements for social and affordable housing must be:

1. **Developed with regards to evidence and expert understanding of Queensland land economics, development feasibility and processes.**
2. **Introduced with notice to enable the development industry to factor impact into land acquisition feasibility and land values.**
3. **Designed for regional market variations.**
4. **Streamlined and simple, and aligned to usual market practices whilst also providing for appropriate levels of flexibility and innovation for the market where appropriate and where this will enhance outcomes.**
5. **Underpinned by a clear and efficient system of administration that places the community housing sector as the recipients and managers of contributions. It is critically important to appropriately secure the value that is generated by the planning system towards social and affordable housing - utilising the not-for-profit community housing sector as the owners and managers of outcomes, responsible for reinvestment of contributions over time.**
6. **Underpinned by approaches to planning that support housing intensification and diversity to ensure adequate supply of housing in a form that meets the future needs of diverse household types considering a trend towards smaller households.**

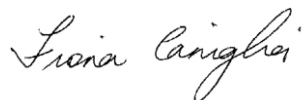
5.0 Conclusion

In summary, Q Shelter cannot support the Bill as drafted. But we welcome the opportunity to speak into the opportunity that inclusionary planning can provide for social and affordable housing supply in Queensland.

We support inclusionary planning as a principle and as a mechanism for delivering housing diversity and affordability for Queenslanders. We are committed to working with government, other peaks and industry bodies, and the wider housing system to develop and implement a model that can have long-term, tangible housing outcomes for a healthier housing system. We have provided some examples of inclusionary planning that could be considered and implemented here in Queensland, and we welcome the ongoing conversation as we move closer to an inclusionary planning environment in this state.

For further details about this submission, please contact the Policy and Strategic Engagement Manager at Q Shelter (07) 3831 5900 or at Jackson.Hills@qshelter.asn.au.

Yours sincerely



Fiona Caniglia
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