

# Planning (Inclusionary Zoning Strategy) Amendment Bill 2023

## Explanatory Notes

### Planning (Inclusionary Zoning Strategy) Amendment Bill 2022

The short title of the Bill is the *Planning (Inclusionary Zoning Strategy) Amendment Bill 2023* (the Bill).

### Policy objectives and the reasons for them

Queenslanders are in a housing crisis, and it is time for the government to take action.

Decades of treating housing like a commodity rather than an essential public need, compounded with the pressures of the COVID-19 pandemic, have massively impacted Queensland's housing sector.

After 8 years in power, the Queensland government has nearly 50,000 people on the social housing register, with no plan to build enough social housing to meet this need.

According to an analysis by the Queensland Parliamentary Library using data from the Australian Productivity Commission,<sup>1</sup> since 2015 the Palaszczuk government has been responsible for the following net increases and decreases in response to this need:

- 1395 new public housing dwellings (from 51,248 in 2015 to 52,643 in 2022).
- 9 less community housing dwellings (from 11,586 in 2015 to 11,495 in 2022).

This is a spectacular failure of the government's various housing strategies.

Nationally, vacancy rates are at a record low.<sup>2</sup> In Queensland, these are as low as 0.2% on the Southern Downs, 0.3% in Cook, Goondiwindi and the Tablelands region, and 0.7% on the Gold and Sunshine Coasts.<sup>3</sup>

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<sup>1</sup>

<https://www.pc.gov.au/ongoing/report-on-government-services/2022/housing-and-homelessness/housing>

<sup>2</sup>

<https://www.corelogic.com.au/news-research/news/2022/national-vacancy-rates-hit-record-low-as-affordability-starts-to-impact-rent-hikes>.

<sup>3</sup> <https://www.reiq.com/articles/2022-queensland-vacancy-rates-end-on-a-low-note/>

Since the pandemic began, rents have surged across Queensland, and by 34% in Brisbane.<sup>4</sup> Brisbane has also had the biggest surge in homelessness out of any capital city in Australia.<sup>5</sup>

The Queensland government has benefited from this housing crisis. It has presented surging rents, and housing prices, as a sign of how attractive Queensland is to interstate investors and sea-changers. Its stamp duty coffers are overflowing as property transfers involve unprecedented house prices, based on scarcity and huge yields for investors.

After decades of inaction - not since World War 2 has the government taken responsibility for intervening in the housing market, via the rent controls implemented by Labor Prime Minister Curtin's wartime cabinet - it is time for the Queensland government to take responsibility for rampant homelessness and rental stress among Queenslanders.

Inclusionary zoning is part of a suite of measures the government needs to urgently implement, including:

- Genuine tenancy reform, including limiting the quantum of rental increases - not just how often they occur.
- A two-year rent freeze while the best formula for limiting rental increases is determined.
- An empty homes levy to incentivise owners to put vacant residential homes on the rental market.

Accordingly, this bill complements the three other private member's bills lodged in this parliament by Dr Amy MacMahon as a solution to the housing crisis.

In addition to the real estate lobby, those who it represents and the predatory commercial entities that are dependent on it (such as third-party payment platforms), a key beneficiary of the housing crisis is the property development industry. Buoyed by planning laws that work in their favour at the cost of the community, and successive Labor and LNP governments which seem determined to prioritise Queensland's best land for developers, this industry is benefiting from the housing crisis without contributing anything to the solution.

This bill means that the very industry profiting from the housing crisis will contribute to the solution.

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<https://theconversation.com/the-post-covid-crisis-hit-queensland-hardest-with-100-000-households-needing-low-cost-housing-heres-how-it-can-recover-199514>

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<https://theconversation.com/homeless-numbers-have-jumped-since-covid-housing-efforts-ended-and-the-problem-is-spreading-beyond-the-big-cities-194624>

The bill's primary objective is to build public housing via requiring developers to do so, and its secondary objective is to integrate public housing with other residential areas in order to maximise social inclusion.

### **Achievement of policy objectives**

This bill will ensure the Queensland government enacts an inclusionary zoning strategy under which developers will be required to dedicate 25% of new residential dwellings, including apartment buildings and housing estates, as public housing.

This bill requires the government to introduce an inclusionary zoning strategy parliament within 2 months after the date of assent of this bill.

This strategy will enact the following inclusionary zoning policy at the state level:

- For all **residential development projects** completed on or after 1 July 2024, at least 25% of the dwellings (rounded up to the nearest whole number) constructed for the project are to be gifted to the state of Queensland for the purpose of providing public housing.
- Each reserved dwelling will be finished to the same standard, and have the same features, as the other dwellings constructed for the residential development project. This includes size and floor area.
- A 'residential development project' means development, carried out by an entity other than the state, related to the construction of 10 or more dwellings.
- Further, for all **residential subdivision projects** completed after 1 July 2024, at least 25% of the lots (rounded up to the nearest whole number) created for the project are to be gifted to the state of Queensland for the purpose of providing public housing.
- A 'residential subdivision project' is defined as any private development which subdivides 1 lot into 10 or more lots on which dwellings can lawfully be constructed.

### **Alternative ways of achieving policy objectives**

While this Bill proposes the development of a government strategy for inclusionary zoning, an alternative approach would be to directly legislate those measures outlined within the inclusionary zoning strategy.

The quickest way to achieve these policy objectives is for the Queensland government to simply enact an inclusionary zoning policy - something it committed to doing in its *\$1.8 billion Housing Strategy to transform lives, create jobs and revitalise neighbourhoods* media statement on 12

June 2017,<sup>6</sup> and has been talking about it at its quarterly housing roundtables since October 2022, according to stakeholders who have been in attendance.

### **Estimated cost for government implementation**

This Bill requires the development of an inclusionary zoning strategy. It is estimated that any costs arising from the drafting and development of a strategy will be met from existing agency resources.

### **Consistency with Fundamental Legislative Principles (FLPs)**

This bill is consistent with fundamental legislative principles.

Section 4(3) of the *Legislative Standards Act 1992* states that whether legislation has sufficient regard to the rights and liberties of individuals depends on whether, for example, the legislation (i) provides for the compulsory acquisition of property only with fair compensation.

Requiring the development industry, which makes huge windfall profits based on state land zoning decisions, to transfer a portion of the dwellings it creates should be viewed as a condition of doing business in Queensland rather than a compulsory acquisition.

### **Consultation**

Queensland's housing crisis is widespread and well documented.

As the member for South Brisbane, Dr MacMahon has had contact with thousands of Queenslanders who are affected by this crisis, including:

- People on the social housing register who have no prospect of accessing housing when they need it.
- Renters from across the state facing extreme increases in rent.
- People experiencing homelessness.
- Local organisations such as the West End Community Association.
- State housing organisations such as QCOSS, Tenants Queensland and Q Shelter.

This consultation has inspired her to introduce this bill.

### **Consistency with legislation of other jurisdictions**

According to the Australian Housing and Urban Research Institute:

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<sup>6</sup> <https://statements.qld.gov.au/statements/81432>

- In 2005, the Rann Labor government in South Australia mandated that 15 per cent of all new dwellings in all significant development projects be affordable, including at least 5 per cent for high-needs groups.<sup>7</sup>
- The City of Sydney has mandated an affordable housing component of about 2% in specified zones like Ultimo/Pyrmont.
- In 2007, the Stanhope Labor government introduced a policy requiring 20% of all new estates to include affordable housing.

### **Notes on provisions**

**Clause 1** cites the short title of the bill.

**Clause 2** clarifies that this bill amends the *Planning Act 2016*.

**Clause 3** inserts a new chapter 7, part 4D to the Planning Act, which requires the government to implement an inclusionary zoning strategy, to be introduced to parliament within 2 months after the date of assent of this bill.

This strategy will enact the following inclusionary zoning strategy at the state level:

- For all **residential development projects** completed on or after 1 July 2024, at least 25% of the dwellings (rounded up to the nearest whole number) constructed for the project are to be gifted to the state of Queensland for the purpose of providing public housing.
- Each reserved dwelling will be finished to the same standard, and have the same features, as the other dwellings constructed for the residential development project. This includes size and floor area.
- A 'residential development project' means development, carried out by an entity other than the state, related to the construction of 10 or more dwellings.
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- A 'residential subdivision project' is defined as any private development which subdivides 1 lot into 10 or more lots on which dwellings can lawfully be constructed.

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<sup>7</sup> <https://www.ahuri.edu.au/research/brief/understanding-inclusionary-zoning>