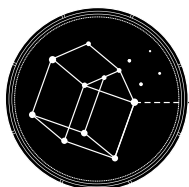


# Establishing a National Framework for Mandatory Inclusionary Zoning

**Mandatory Inclusionary Zoning will increase the supply of social and affordable housing** for the rising number of Australians experiencing rental stress and housing scarcity.



The 2020 Rental Affordability Index reported that 43% of all low-income households are in housing stress, compared to 30% in 2008. **This rises to 48% for households in NSW.**



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# MIZ creates homes and reduces locational inequality

Mandatory Inclusionary Zoning (MIZ) is a policy where a certain percentage of social and affordable housing must be included within all new housing projects. This can be expressed in terms of land, dwellings or payment of an equivalent levy allocated to such housing.

The social or affordable homes built as a result of MIZ are owned and managed by not-for-profit community housing providers (CHPs). In this way, community development and social support services are at the heart of this policy.



## The Benefits:



### More affordable housing:

Constellation Project modelling has shown that implementation of a national MIZ policy could result in the creation of up to **160,000 more affordable homes by 2036** in Brisbane, Melbourne and Sydney alone.



### Socially sustainable urban growth:

MIZ creates more diverse communities – providing housing to people on low incomes in areas that provide access to jobs, education, transport and amenities.



### Long term growth, viability and scale of the CHP sector:

Along with a pipeline of new dwellings, MIZ also boosts the capacity of individual CHPs to leverage additional investment into developing new social and affordable housing.

Although tried and tested in Australia at a local level for over 20 years, **MIZ has not been applied at a national level.**



# Constellation have developed a framework to implement MIZ at a national level



The purpose of the National Framework is to promote a consistent approach to Mandatory Inclusionary Zoning across all Australian metropolitan areas. It has six components:



## National MIZ principles

A set of principles that underpin how MIZ should be applied consistently across Australia in order to increase the supply of social and affordable housing.



## Roles and responsibilities

An outline of the roles and responsibilities of key players across the Australian housing system to enable MIZ.



## Legislative / Regulatory Requirements

A requirement for each state and territory to enact jurisdictional-specific legislation / regulation to enable outcomes consistent with the MIZ principles.



## Impact measurement framework

A consistent approach for how each metropolitan LGA should implement then define and measure the local impact of MIZ through a 5 year housing strategy.



## MIZ transfer process (land, dwellings or cash)

A process that guides how and when land, dwelling or cash contributions should be made and who needs to be involved.



## MIZ Capability Assessment

An assessment of where capability uplift is required across State Governments, Local Governments, the development industry and CHPs to support MIZ as well as a suggested capability development approach.



**The Constellation Project is a cross sector collaboration that is working to end homelessness. Over the past 3 years, Constellation has researched, consulted and designed a National Framework to apply MIZ to Australian metropolitan areas.**

# How it works



Constellation proposes that the following set of principles should govern how MIZ is applied across Australia.

- 1** **10% of housing floorspace** (or commensurate land / cash) developed on privately owned land **in metropolitan areas** should be designated, in perpetuity, as social and affordable rental housing, under CHP management.
- 2** **Higher targets** should be set for market housing development on **public land**.
- 3** **Registered CHPs** should apply to an appropriate State Agency to be the recipient of MIZ housing in a particular local government area.
- 4** **Local housing strategies** must be prepared by councils within 12 months of the legislation being enacted, and updated every five years to advise CHPs on the mix of MIZ-generated affordable housing in terms of social versus affordable rental status (but that each should never be less than 20% – i.e. if social is 20%, affordable is 80%, and vice versa).
- 5** **To allow the market to adjust** to this new legislation there should be:
  - a **“notice period”** of two years after the legislation is enacted in which no existing or approved DA's will have a MIZ obligation applied; and
  - a **“transition period” for the four years** after the notice period, during which the MIZ obligation should be 5%.
- 6** **CHPs should be allowed to sell MIZ dwellings (to cross subsidise) and replace, trade and transfer their MIZ** with other CHPs within the same LGA.
- 7** **MIZ should apply to** all developments that create **more than one additional dwelling**. The MIZ requirement should be a **stated condition of the Development Approval (DA) consent**, and the housing should be dedicated when the subdivision plan (Torrens or strata) is registered. Where the development MIZ obligation creates a fraction of a dwelling, a cash payment should be made to discharge the obligation or alternatively to the developer to fund construction of full dwelling.

The National Framework aligns with the National Housing and Homelessness Agreement (NHHA) housing priority areas and specifically addresses the following:

- **Affordable housing**
- **Social housing**
- **Encouraging growth and supporting viability of the CHP sector**
- **Planning and zoning reform**



# The government, private sector, not-for-profits and individuals all have a role to play to implement the MIZ National Framework



**The Australian Government** must establish a consistent national approach to MIZ. This could be done as part of the renegotiated **National Housing and Homelessness Agreement** in 2023.



**State / territory governments** must pass **legislation** that requires 10% mandatory inclusionary zoning as normal practice for all new housing developments in metropolitan areas in their jurisdiction.



**Local councils in metro areas** must include provision for MIZ in local planning instruments and develop robust five-year housing strategies to inform how MIZ will support local social and affordable housing priorities.



**Developers** should promote MIZ policies as a critical step to achieving **socially sustainable** urban growth in Australia



**Community members** have a role to play in supporting MIZ through their interests as land owners, community locals (residents and businesses), building / strata management members and potential social or affordable housing tenants.



If you'd like to get involved in our advocacy for the adoption of a National Framework email [team@theconstellationproject.com](mailto:team@theconstellationproject.com)



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