



TAMWORTH REGIONAL COUNCIL

ANNEXURES for ORDINARY COUNCIL AGENDA

14 APRIL 2026

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NEW SOUTH WALES

Local Government Housing Kit

Resource Kit for Achieving Better
Housing for Local Communities



Urbanista



SYDNEY, 2019

This edition of

The Local Government Housing Kit

has been prepared for

The Department of Communities and Justice

by

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Local Government Housing Kit

Module 1

Addressing Housing Needs: Context, Roles and Issues

- Why it's Vital
- Defining and Measuring Affordable Housing
- Agency Roles and Key Players
- Purpose, Key Challenges and Issues
- Planning Context



Module 2

Preparing and Implementing a Local Housing Strategy

- Community and Stakeholder Engagement
- Developing an Evidence Base
- Setting the Scope
- Developing Actions and Strategies
- Implementation, Monitoring, Review and Evaluation



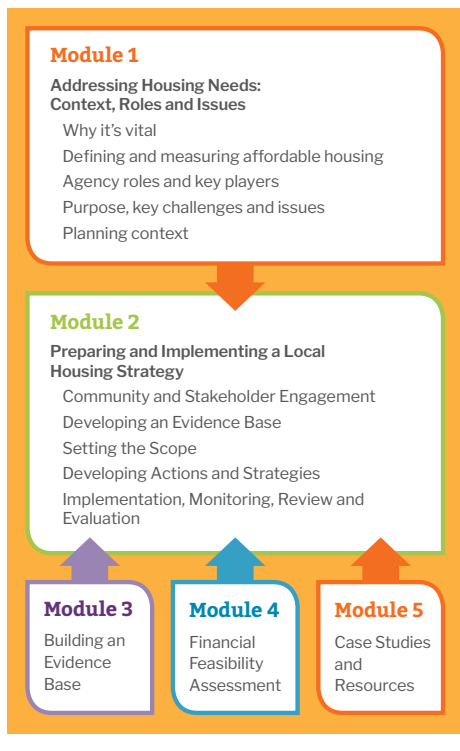
Module 3 Building an Evidence Base

Module 4 Financial Feasibility Assessment

Module 5 Case Studies and Resources

Introduction to the Kit

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This **Housing Kit** is designed to help users already experienced in the local challenges of housing policy, those who may be addressing them for the first time, or when engaging consultants to develop local housing strategies.

The content is comprehensive, but it is divided into Modules, allowing users to focus on the parts that are most relevant given their different levels of expertise and experience and the task at hand. **Module 1** outlines the context in which local authorities operate, the factors they need to consider in responding to housing needs and the key players involved.

The focus of the Kit is affordable housing and the core of the Kit is **Module 2**: a step-by-step approach to developing local housing strategies that respond to local housing circumstances and meet the NSW Government requirements.

Module 3 provides guidance on developing a comprehensive evidence base on the current situation and future demand to underpin a local housing strategy. To help give councils confidence to review development feasibility studies and to assess if strategies recommended for implementation are likely to work in practice, **Module 4** introduces the concepts and practical steps for financial feasibility analysis.

Module 5 provides resources to help formulate strategies – more than forty examples of affordable housing initiatives – definitions of the terminology used by planners and developers – as well as guidance for engaging consultants to prepare local housing studies.

Relationship to the Local Housing Strategy Guideline



The State Government requires certain councils to prepare Local Housing Strategies to translate the housing objectives, as well as regional and district housing targets, into detailed plans that can be implemented at the local level. Its **Local Housing Strategy Guideline and Template** have been developed to help councils prepare strategies and set them out in a consistent way.

The **NSW Local Government Housing Kit** can be used alongside the Guideline and Template as there is alignment in the principles and steps to prepare a strategy. The Kit offers additional resources, including practical tools and case studies, as well as providing a deeper focus on housing needs and affordability. While land-use planning responses are central, the Kit also shows how the broader roles and functions of local government can be used to deliver responsive and effective housing strategies.

Why the Focus on Adequate and Affordable Housing?



The availability of a suitable range of housing is vital to every community's ability to function in an efficient, equitable, prosperous and sustainable way. Housing is critical to basic human needs for shelter, security and connection within communities. Housing is also a key city-shaping consideration influencing streetscapes and urban form. It plays an important economic role at a state and national level, affecting the buoyancy of the economy, the efficiency of businesses, and labour force availability.

Although the amount and range of housing supplied, its location and its form all affect the quality of housing and liveability for households, it is the cost of housing relative to income in particular that is impacting on more and more households.

Provision of housing is complex and a broad range of players influence housing opportunities and outcomes. While the federal and state governments have primary responsibility for many policy areas which affect housing markets, affordability and need, local governments have considerable scope to contribute positively to housing outcomes.

Furthermore, as this Kit outlines, local governments can go beyond traditional land use planning, infrastructure, delivery and services, to encourage housing opportunities in response to local needs. That is not

to say that local government should have ultimate responsibility for shaping housing outcomes.

What is important is that councils consciously use the powers and opportunities they have to bring about better housing outcomes for their communities.

In many areas the most pressing housing issue is the difficulty that low and moderate income households and those with special needs face in finding appropriate and affordable housing. This Kit focusses on helping councils to develop affordable housing responses.

Rapid increases in house prices in recent decades have seriously impaired housing affordability. In August 2017 the Committee for Economic Development of Australia reported that "a deposit gap of more than twice median income has emerged for a median priced dwelling in Australia and up to four times more than median income in Sydney and Melbourne."

Growing community concern and widespread media attention have renewed government's focus on housing affordability. This is reflected in the NSW Government's *Future Directions for Social Housing and Housing Affordability Package*, designed to increase the supply of social and affordable housing, and in federal government measures to improve housing affordability.

The importance of affordable housing to achieving the liveability and economic objectives of urban planning strategies is widely recognised. The state government's *Plan for Growing Sydney* and planning strategies for regional areas and the federal government's *Smart Cities Plan* all include objectives to provide more affordable housing. These plans provide the framework for councils to address housing affordability in local plans.



What is the Purpose of the Kit?



The *Local Government Housing Kit* was first developed in 2006. Despite significant changes since the launch of the Kit, its basic purpose remains the same — to provide guidance and resources to encourage and assist local councils and others to bring about better housing outcomes.

The new Kit reflects changes in the policy context and the opportunities and challenges they bring. There is now a much more prominent community housing sector with a greater role in delivering affordable housing. Aboriginal housing providers are also becoming more active. Other influences such as the emergence of Airbnb and similar platforms are affecting housing markets, particularly in regional areas. The NSW planning framework has continued to develop. New infrastructure investment and urban renewal across Sydney have provided more opportunity for value capture and inclusionary zoning.

Many councils have developed affordable housing strategies since the Kit was originally launched. The few councils with an inclusionary zoning scheme have growing affordable housing portfolios. Others have developed innovative partnerships with community housing providers, using funds from voluntary planning agreements to deliver affordable housing.

Features in the new Kit include a module explaining financial feasibility. This module will help councils to understand opportunities for affordable housing, to assess value capture opportunities, to develop policies and strategies, including negotiating

voluntary planning agreements, and to assist in setting contributions for affordable housing which do not undermine development viability. The aim is to empower council officers and others to utilise feasibility assessment by familiarising readers with its basic elements and taking some of the mystery out of the process.

The Kit aims to provide resources to assist local government to respond to housing needs. It recognises that while councils operate within a larger institutional and funding framework and have limited powers to intervene, they are well placed to play a significant role. Councils have primary responsibility for developing strategic plans for their areas in the form of local strategic planning statements and local environmental plans. They determine the amount, form and location of housing to be provided and influence opportunities for economic development. These roles, combined with the services and infrastructure that councils provide, influence the affordability, sustainability and liveability of neighbourhoods.

The Kit can assist staff and elected representatives with any level of expertise. It can also help organisations and individuals working with councils to understand and respond to housing issues. These include community housing providers, other not-for-profit organisations, developers, researchers and the community.

What Does it Cover?

The five modules provide comprehensive guidance on developing local housing strategies, including understanding and assessing financial viability, formulating policies and strategies, and delivering affordable housing. Councils can also use individual modules to respond to short term opportunities and gaps, and to adjust to new or emerging issues.

Module 1 – Addressing Housing Needs: Context, Roles and Issues

Module 1 outlines the role of local government in developing housing strategies, how we define affordable housing, the policy context and key players. It summarises key considerations on addressing housing and recent policy initiatives at state and national level.

Module 2 – Preparing and Implementing a Local Housing Strategy

Module 2 sets out step-by-step guidance to assist in developing a local housing strategy, outlining the role of community and stakeholder engagement; establishing the scope, goals and objectives for the strategy; identifying needs and market conditions; exploring and determining strategies and actions;

and implementing and monitoring them. This model encourages councils to look at area of influence as well as their core powers and roles.

Module 3 – Building an Evidence Base

Module 3 provides guidance on developing a comprehensive evidence base and identifies data that can inform a local housing strategy. Much of the data is readily available through ABS and other agency websites and these are specified.

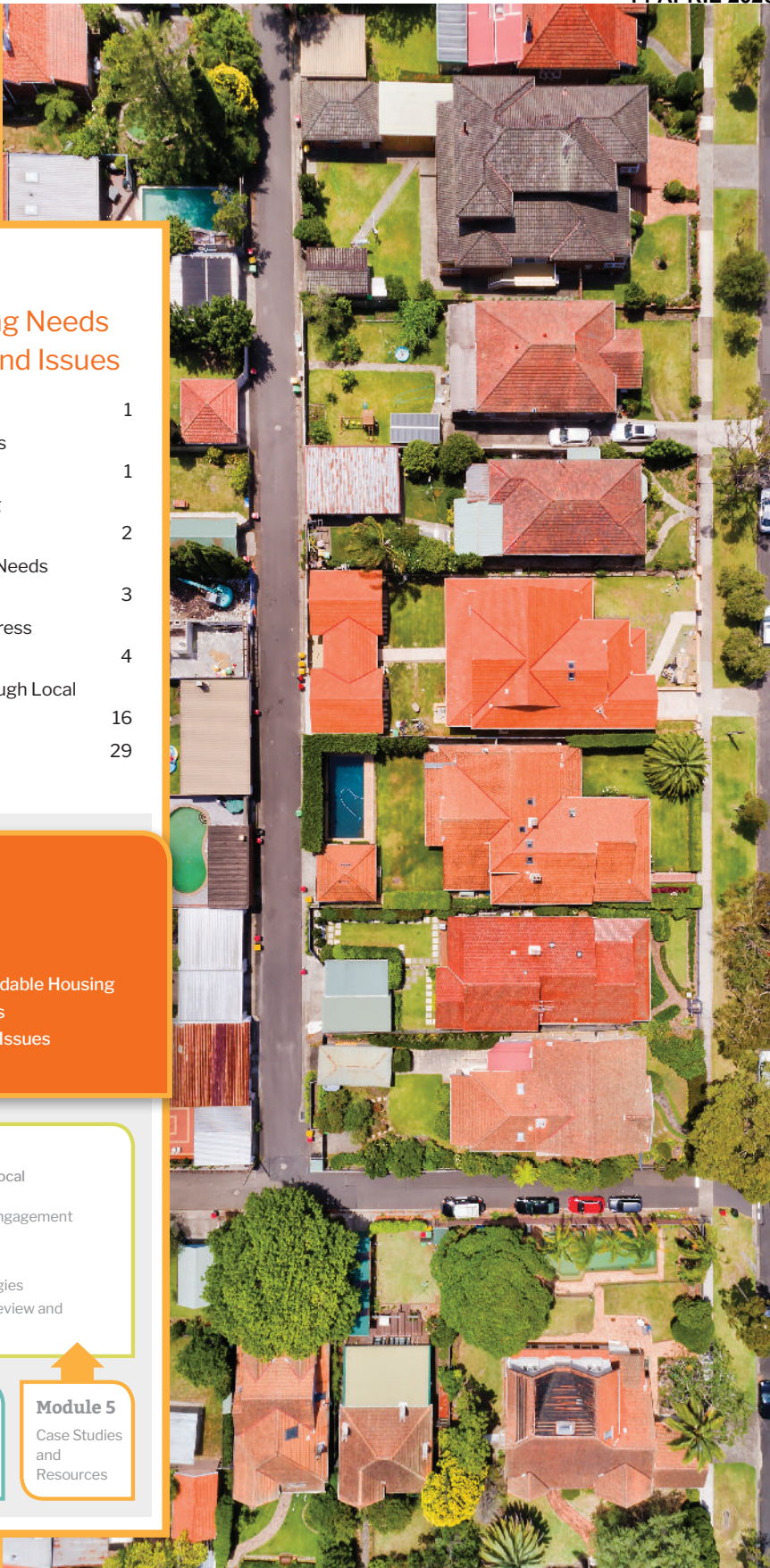
Module 4 – Financial Feasibility Assessment

Understanding feasibility is critical to implementing effective policies and strategies, particularly where councils intend to levy affordable housing contributions. This module guides users through feasibility analysis.

Module 5 – Case Studies and Resources

This module provides resources for councils including guidance for consultancy studies, case studies and examples from Australia and overseas, a glossary of terms used in the Kit and details of government housing programs and initiatives.





Module 1: Addressing Housing Needs — Context, Roles and Issues

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Module 1

Addressing Housing Needs: Context, Roles and Issues

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Module 3

- Building an Evidence Base

Module 4

- Financial Feasibility Assessment

Module 5

- Case Studies and Resources

Urbanista

1.1 Outline

Local councils that make the best of opportunities to promote the availability and suitability of affordable housing enjoy rewards at several levels. Better housed and better balanced communities are economically advantageous, more livable, and consistent with the NSW Government’s aspirations.

Module 1 identifies the challenge of maintaining an adequate supply of housing appropriate and affordable for residents with diverse needs, and the role of local housing strategies in addressing this challenge. It examines the roles of the three levels of government, and describes the authorities and agencies involved. It reviews measures being implemented by federal and state governments—which are heightening their focus on housing, and looking to local government to play an active part. It also describes community and private sector participants involved in providing affordable and appropriate housing.



Adequate and diverse housing is critical for economic prosperity and community well being

1.2 Why it's Vital to Address Housing Needs

Livable, sustainable and prosperous communities need a range of well designed housing, connected to transport and employment opportunities, services such as health and childcare, and open space. Safe, stable, affordable and accessible housing is critical to enabling people to live independently and improve life opportunities related to family, work, education, recreation and other pursuits. Diverse housing that meets changing needs allows communities to stay intact and social networks to grow. When housing needs aren’t met, vulnerable groups are more likely to experience homelessness and overcrowding. Barriers to education and employment opportunities increase.

Meeting people’s housing needs also has wider economic, social and environmental impacts. Insufficient housing and a lack of appropriate and affordable housing contribute to the cost of labour, and put economic growth and global competitiveness at risk. At regional and local levels offering more housing choices helps labour markets function, for example by improving labour mobility and ensuring sufficient workers are available to support local businesses.

Shortages of housing, a lack of diverse housing and predominance of housing that is unaffordable increase the risk of discrimination against certain groups and can reinforce patterns of exclusion and segregation. This can increase demand for government services. Left unchecked, it contributes to structural divisions in society and their consequences. Alternatively, households may be forced to relocate to outlying areas with more affordable or diverse housing, and then face difficulties obtaining employment or long commute times to work, education and other services, leading to congestion and poor environmental outcomes.



I used to wake up in the middle of the night in a cold sweat ... In my dream someone is demanding that I define the term 'affordable housing'.

— An administrator quoted on www.independent.co.uk

1.3 Defining and Measuring Affordable Housing

A lack of diverse housing and high housing costs make it difficult for many to find suitable housing. Those most affected include students and young people, people with special needs, women and children escaping domestic violence, low income single parents, some low and moderate income workers, and retirees with limited savings or superannuation.

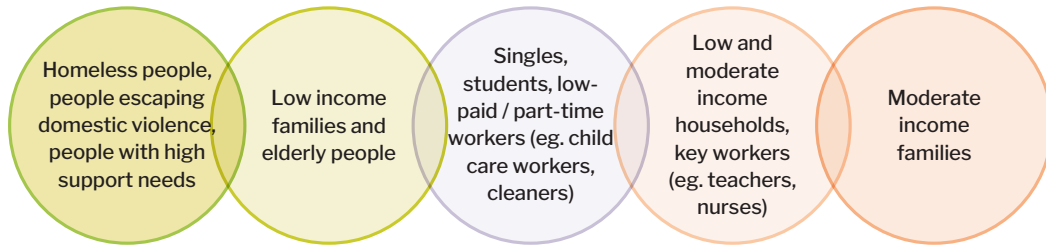
Affordable housing means housing that is appropriate to the needs of a household and within its means. It is generally accepted to be housing that costs no more than 25–30% of the gross income of low to moderate income earners. Definitions vary depending on the policy or research focus. For a fuller discussion of housing affordability definitions and measures see the review by the National Affordable Housing Consortium (<http://bit.ly/2UR9cZo>). In this kit affordable housing means a range of housing affordable to low to moderate income households, including social and other affordable rental housing and some shared equity and assisted home purchase housing. Social housing means subsidised housing provided by public agencies and community housing providers usually at an income based rent.

The *Environmental Planning and Assessment Act 1979* defines affordable housing for very low

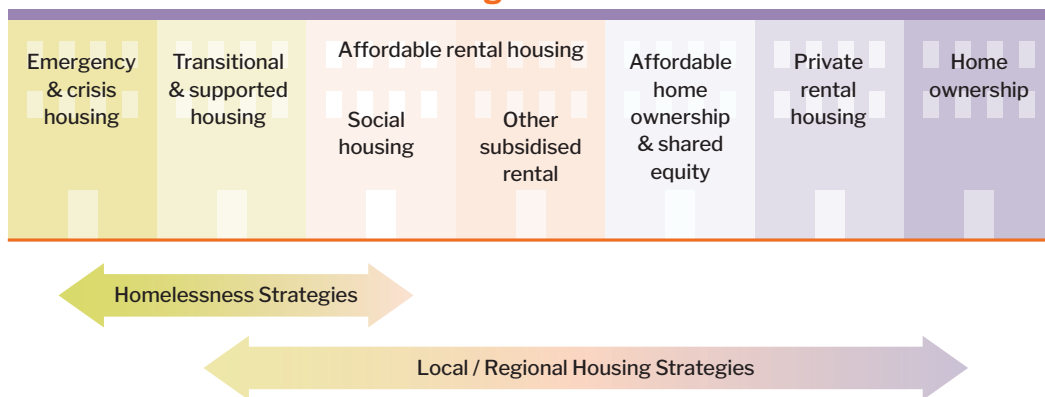
income households, low income households and moderate income households. According to State Environmental Planning Policy (Affordable Rental Housing) 2009 (AH SEPP) these are households with a gross income of up to 20% above the median household income and their housing is affordable if they pay 30% or less of it on housing.

Affordability differs with income level and household size. Very low income households cannot spend as great a percentage of their income on housing as low and moderate income households if they are still to have sufficient funds on which to live. Large households such as families with children typically have higher “after housing costs”—such as health care and education. Spending 30% of their income on housing may not leave enough to meet after housing costs. Those who pay more than this are often described as being in “housing stress”.

EXAMPLES OF HOUSING NEEDS

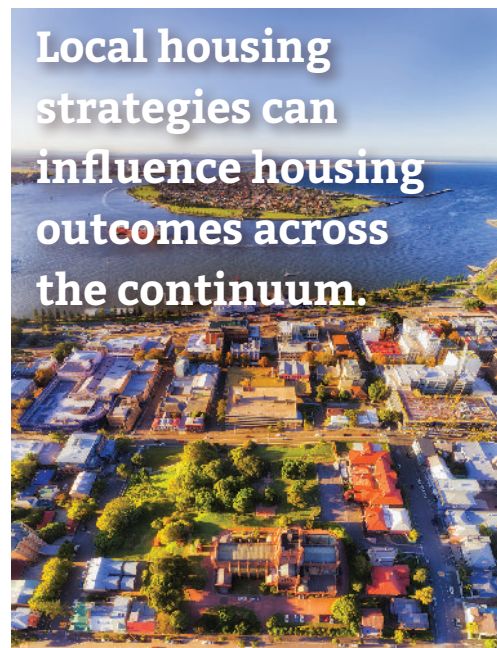


Housing Continuum



1.4 Continuum of Housing Needs and Housing Supply

A continuum of housing is a useful way of understanding housing supply. The Urbanista continuum above illustrates the spectrum of principal housing options available in New South Wales. Moving across the continuum from left to right from crisis housing through to home purchase, the level of control that residents have over their housing generally increases with those dependent on crisis housing having very little control, whilst home purchasers generally have far greater control over their housing. At the same time, moving across the continuum, the levels of housing assistance generally diminishes, though it is important not to underestimate the tax relief provided to private landlords, through negative gearing, and for home ownership through exemptions from land tax and capital gains tax, for example.





1.5 Whose Role is it to Address Housing Needs?

1.5.1 Key players

The housing market is influenced by a complex mix of players and is affected by demographic changes, economic patterns and the legislative framework at federal, state and local levels. Amongst key players are government agencies, the not-for-profit sector including community housing providers, financial institutions, property investors and private sector developers. Knowledge of the role of key players and how they interact at a local level can help councils understand and influence outcomes.

All can play a role in addressing housing needs. As the Commonwealth Government's *Smart Cities Plan* notes:

All governments in Australia, and the private sector, have a role in increasing housing supply in the right locations. The Australian Government makes contributions to infrastructure investment. We also provide settings for taxation, finance, welfare, superannuation and foreign investment policy. States and territories control stamp duty and land tax, which affect the cost of owning a home and the willingness of homeowners to move. State and local governments are responsible for zoning and development

approvals including developer charges, affecting the location, extent of supply and type of housing constructed. Coordinating these policy, planning and regulatory levers can better support the supply of affordable and diverse housing (<http://bit.ly/2yiCuGC>).

1.5.2 Federal and State Government

ROLES AND RESPONSIBILITIES FOR HOUSING ASSISTANCE

Federal and state government intervention has included facilitating housing supply and diversity, supporting affordable access to home purchase and private rental and programs designed to meet the housing needs of lower income and vulnerable households.

Historically the most prominent form of housing assistance is social housing jointly funded by the Commonwealth and states. In NSW there are approximately 135,000 social housing properties in the portfolio owned by the Land and Housing Corporation and managed by DCJ and community housing providers. There are also around 5,793 properties owned by the Aboriginal Housing Office, the majority of which are managed by DCJ.

These properties are made available to eligible low income households for crisis housing and for longer term housing. The federal government



provides Commonwealth Rent Assistance (CRA)— an income supplement paid to eligible renters who are recipients of Centrelink or Austudy or undertaking an apprenticeship.

In 2008 the federal government worked with the states to introduce the National Rental Affordability Scheme (NRAS), aimed at increasing the supply of affordable rental housing. It offered a financial incentive to housing providers to offer properties at a reduced rent for ten years. The government announced in 2014 that it was discontinuing future rounds of the program, though grants continue for the term of projects funded. These projects expire around 2026.

A heightened policy focus on housing affordability has brought an expansion of policies and measures at state and federal level, including reform of housing assistance and recognition of the impacts of other policy levers such as taxation. These measures will facilitate community housing providers and the private sector to deliver affordable housing.

In 2016, the NSW government introduced a major reform, *Future Directions for Social Housing*. This will see around \$22 billion worth of social housing assets redeveloped into a mix of social, affordable and private housing. It includes the transfer of management of 14,000 social housing properties to community housing providers in nine locations.

In 2017 a new housing affordability package aimed at first home buyers was released.

New housing affordability measures were announced by the Commonwealth in its 2017/18 budget. These include a new National Housing and Homelessness Agreement, replacing the current National Affordable Housing Agreement from 1 July 2018, and a new National Finance and Investment Corporation, an affordable housing bond aggregator to raise money at lower interest rates from the wholesale bond market for not-for-profit community housing providers.

An outline of some of these affordable housing initiatives is included in the **Housing Initiatives Overview** in Module 5.



FEDERAL
GOVERNMENT
2017/18
BUDGET

Housing affordability initiatives include:

- National Housing and Homelessness Agreement (NHHA)
- National Finance and Investment Corporation (NHFIC)
- National Housing Infrastructure Facility (NHIF)
- First Home Super Saver Scheme (FHSS)
- Foreign investment restrictions
- Managed investment trusts (MIT)
- Capital Gains Tax (CGT) discounts
- Downsizing incentives

NSW
GOVERNMENT
2017/18
BUDGET

Housing affordability package

A Fair Go for First Home Buyers includes:

- Removal of stamp duty for first home buyers for homes up to \$650,000 and stamp duty reductions for homes up to \$800,000
- Grants of \$10,000 for first home buyers purchasing new homes up to \$600,000
- Abolition of insurance duty on mortgage insurance
- Higher duties and taxes for foreign investors
- An end to the option investors had to defer payment of stamp duty for off-the-plan purchases
- Infrastructure funding
- Measures to boost housing supply

FEDERAL INVOLVEMENT IN URBAN AND REGIONAL PLANNING FOR HOUSING

From time to time the federal government intervenes in urban and regional planning. An example is the Building Better Cities Program initiated in 1991. This program saw the introduction of one of the first affordable housing schemes in NSW with establishment of the City West Housing Scheme in Ultimo and Pyrmont. More recently the Commonwealth has implemented the Housing Affordability Fund and Building Better Regional Cities Program. There is a renewed focus on cities at federal level with the establishment of a Cities Division within the Department of Prime Minister and Cabinet and the introduction of the Smart Cities Plan in 2016.

The Smart Cities Plan (<http://bit.ly/2S3Rpw8>) sets out the federal government’s vision for cities—metropolitan and regional—and commitments to investment, policy and technology. The Plan includes City Deals which bring together the three levels of government, the community and private enterprise in place-based partnerships. They are intended to align the planning, investment and governance necessary to accelerate growth and job creation, stimulate urban renewal and drive economic reforms. The plan recognises housing and the housing affordability as key factors in shaping cities. Western Sydney is the subject of one of the first three City Deals and the only one in NSW.

STATE GOVERNMENT AGENCIES AND THEIR ROLES

<p>Department of Planning, Industry and Environment (DPIE)</p>	<ul style="list-style-type: none"> • The primary planning agency in the NSW Government • Develops policies, conducts assessments and makes plans at metropolitan and regional level • Responsible for plans and policies for delivering accessible, affordable and well designed housing.
<p>Greater Sydney Commission</p>	<ul style="list-style-type: none"> • An independent organisation funded by the NSW Government • Has a leadership role in coordinating and aligning regional and local planning in Greater Sydney • Produces Regional and District Plans • Its Regional Plan sets directions, metrics and objectives on housing diversity and affordability • District Plans include targets for affordable housing, plus actions for improving choice, diversity and affordability of housing.
<p>UrbanGrowth NSW Development Corporation</p>	<ul style="list-style-type: none"> • The NSW Government agency in charge of coordination and delivery of major urban renewal projects in metropolitan Sydney • Works with government, and private sector and community partners • Responsible for implementation of NSW Government housing priorities.
<p>Landcom</p>	<ul style="list-style-type: none"> • A state owned land and property development corporation • Works with the private sector to establish new residential communities • Recently directed to focus on the affordable rental housing market. Responsible for improving the supply, diversity and affordability of new housing.
<p>Hunter Development Corporation</p>	<ul style="list-style-type: none"> • A NSW Government agency in charge of facilitating developments and urban renewal projects in the Hunter Region • Works with the private sector • Responsible for delivery of housing goals set out in the Hunter Regional Plan 2036 and specific housing goals of individual projects.
<p>Department of Communities and Justice (DCJ)</p>	<ul style="list-style-type: none"> • The NSW Government department in charge of delivering services, including social housing, to disadvantaged individuals, families and communities. It includes the Land and Housing Corporation and Aboriginal Housing Office. • The Land and Housing Corporation works with DCJ to manage the NSW Government’s social housing portfolio. • The Aboriginal Housing Office is responsible for delivery of housing choices to Aboriginal and Torres Straight Islander people.

NSW DEPARTMENT OF COMMUNITIES AND JUSTICE (DCJ)

DCJ has the key state government role in delivery of affordable rental housing through:

- ◆ The Social and Affordable Housing Fund (SAHF). SAHF round 1 will produce 2,200 affordable dwellings, round 2, 1,200 social and affordable homes (70% social, 30% affordable). These are restricted to affordable rents for 25 years.
- ◆ Communities Plus (managed by Land and Housing Corporation (LAHC))—500 affordable housing dwellings to be delivered over ten years.
- ◆ The National Rental Affordability Scheme (NRAS) will deliver 6,549 affordable housing dwellings for ten years.
- ◆ Smaller programs and projects totalling over 870 affordable dwellings.
- ◆ Tendering to community housing providers, calculating leveraging targets, developing and monitoring contracts, performance monitoring and reporting.

DCJ works with the private sector, local government, community housing providers and other government agencies. It manages funding programs and projects delivering affordable housing.

Commissioning Community Housing Providers (CHPs)

DCJ's role of commissioning services from the community housing sector includes making new social and affordable dwellings available through grant funding, and transfer of management and title of government-owned land and housing assets. Attached to these transfers of both funds and properties are leveraging targets that are resulting in new supply at no cost to government through CHPs' contribution of debt and equity and their access to other resources not available to government such as tax exemptions, philanthropic donations, Commonwealth Rent Assistance etc.

DCJ regularly seeks tenders from CHPs for delivery of both social and affordable housing. DCJ has standard tender guidelines, application forms and evaluation processes. DCJ sets standard criteria to assist it to

assess CHP experience and capacity in property and tenancy management, leveraging outcomes, delivery of affordable housing projects within timeframes etc. Its oversight and understanding of individual CHP capacity enable it to make informed resource allocations.

DCJ contracts with CHPs specify the Government's interest and requirements, e.g. leveraging targets for additional supply, ensuring the right clients get housed, and in the event that the provider winds up that the assets go to another provider. The registering of government's interest on title ensures that all future dealings in the properties require DCJ consent.

DCJ has a Contract Compliance and Performance Management Framework with quarterly reporting and monitoring and annual performance reviews. For construction and development projects such as the Vested Assets Program, it tracks delivery against individual construction and acquisition projects.

The independent Registrar of Community Housing oversees compliance by CHPs receiving contributions from the state government.

DCJ also sets the policy parameters and provides operational guidance on how to manage affordable housing. The NSW Affordable Housing Guidelines are ministerial guidelines that specify the operational requirements for affordable housing properties funded through the DCJ capital grants programs and vested assets. The Guidelines set income eligibility limits for clients seeking and residing in affordable housing rental properties and are published each year to notify community housing providers.

Grant Funding

DCJ manages and allocates grant funds for affordable housing projects from a variety of sources:

- ◆ Funds levied under the Affordable Rental Housing State Environmental Planning Policy (AHSEPP) for the loss of affordable housing are required to be forwarded by councils to DCJ for affordable housing projects. These must be spent within a reasonable time in the area where the funds were levied and are allocated to CHPs for affordable housing projects.



DCJ has experience, expertise and infrastructure to assist councils

- ◆ Funds from the Rental Bond Board (RBB) for affordable housing programs and projects.
- ◆ Funds from some Councils that have agreements with DCJ to manage funds and assist with tendering and procurement of CHPs.

These funds accrue interest, are audited and reported on, and distributed for affordable housing projects with CHPs as required under the separate funding agreements.

DCJ Role in Future Delivery

DCJ is interested in the expansion of CHP-managed and owned affordable housing for the following reasons:

- ◆ To create more supply—additional leverage is possible through debt or equity contributions if CHPs are provided with grant funds or vested assets;
- ◆ To facilitate exits from social housing and prevent the need for tenants to enter social housing by providing affordable rental;
- ◆ To promote diversification and viability of CHPs. Affordable housing rents improve CHPs' revenue base, providing more capacity to cross-subsidise their social housing operations and leverage additional affordable housing supply.

DCJ has experience, expertise and infrastructure to assist councils in the delivery of affordable rental housing targets. DCJ can:

- ◆ Provide end-to-end services including procurement and tendering, contracting, regular performance monitoring and reporting. DCJ management of the end-to-end process means a consistent and transparent process for allocating resources and leveraging additional supply, as well as ensuring client outcomes. DCJ can partner with councils to ensure that council requirements are met. This relieves councils of the need to allocate significant resources to processes that are core business for DCJ;
- ◆ Lead or input into the tendering and contracting process for councils with CHPs;
- ◆ Provide advice and assistance to councils.

Where DCJ provides end-to-end services, in relation to monitoring and reporting on affordable housing supply owned or managed by CHPs, DCJ can require CHPs to report. This assists DCJ and councils to monitor progress and performance of CHPs and to provide consolidated annual reports on affordable housing supply.

1.5.3

Local Government

There are 128 councils in NSW following amalgamations in 2017. While traditionally state and federal governments have had primary responsibility for addressing housing affordability through the provision of housing assistance, and local government is not equipped nor expected to take that over, local government has a significant influence over housing and there is considerable scope for councils acting individually or in collaborations with others to use their powers to achieve better housing outcomes.

Local government traditionally influences housing outcomes through strategic land use planning, regulation of housing supply and form, infrastructure planning, and pricing policies. Responsibilities in these areas, combined with rate setting and community service delivery, can guide the form of housing in response to needs, influence the cost of housing production and the availability of services, and create opportunities for housing.

Despite the impact of these traditional council roles, housing supply and diversity are sometimes viewed as a responsibility for other levels of government and not of local government. This view risks poor outcomes for communities and underestimates the contribution of local government. As the Urban Research Centre puts it “Local Government’s dual responsibility for the planning of the built and social environment has made it a natural partner in the search for means to address the community’s right to adequate, safe and secure housing” (University of Western Sydney, Urban Research Centre (2008) *Models of Sustainable and Affordable Housing for Local Government*, Final Report).

Councils are central to effective policy making and implementation because they know their areas and communities, they know where development is happening, where jobs are and can be created and where infrastructure is proposed. They understand the impact of big picture issues at the local level.

Industry groups and service providers often seek the support of councils to progress economic and community development initiatives. They are ideally positioned to identify desired outcomes, to develop focussed strategies and to foster partnerships.

The capacity of councils to undertake non-regulatory and ancillary activities alongside their regulatory functions provides opportunities for innovative responses. Councils are not expected to respond to need on their own. In the Greater Sydney Region for example, local councils are working with the state government to develop local responses to meet the Greater Sydney Regional Plan’s (<http://bit.ly/2SUJ8uz>) five and ten year housing supply target (725,000 additional homes by 2036) and affordable rental housing targets “generally in the range of 5 to 10 percent of new residential floor space”. Councils in other parts of the state are working with the state government to implement housing supply targets and objectives for more affordable housing.

Many of the activities currently undertaken by local government, particularly urban planning and community services functions, *already* have a significant impact on housing outcomes. By proposing and reviewing zoning, preparing development standards, setting fees and contributions plans and through development assessment, local government shapes the supply, mix and location of housing, its cost and amenity. Local government also provides or plans for local infrastructure and delivers community services which foster social inclusion and community wellbeing.

Councils increasingly find ways to use their powers to address housing affordability. These include specific planning mechanisms which stipulate delivery of affordable housing, such as inclusionary zoning, flexible application of planning standards, and rate relief for providers of affordable housing.

1.5.4 Community Housing Providers (CHPs)

CHPs are non-profit managers and developers of affordable rental housing for lower income households and those with specific housing needs. CHPs deliver support for tenants linking them to disability, education, health and employment opportunities and services. At 30 June 2017 there were 3,333 affordable housing properties owned by CHPs. Additionally, under the Vested Assets Program, title to 6,276 social housing properties was transferred to CHPs. Under the Vested Assets Program, 17 community housing providers are contracted to deliver a total of 1,304 additional social and affordable housing properties by 30 June 2021. In 2018 CHPs managed over 35,000 properties and provided housing for 60,000 in NSW.



CHPs are businesses driven by social missions and values. They work with partners, investors and government to improve capability, capacity and funding. CHPs are regulated by the National Regulatory System for Community Housing. In NSW there are three tiers of registration based on the level of risk associated with the CHP's scale and scope of community housing activities. The tier of registration determines the performance requirements and the intensity of regulatory engagement applicable to each provider, as follows:

Tier 1: The highest level of performance requirements and regulatory engagement reflecting that these providers are involved in activities that necessitate management of a higher level of risk.

Tier 2: An intermediate level of performance requirements and regulatory engagement reflecting that these providers are involved in activities that

necessitate management of a level of risk lower than Tier 1 but greater than Tier 3.

Tier 3: A lower level of performance requirements and engagement reflecting that these providers are involved in activities that necessitate management of a lower level of risk.

In the past decade community housing has grown and developed more diverse products and partnerships as new providers enter the market. CHPs have been successful at leveraging additional supply for both social and affordable housing. Under targets for vested assets CHPs have generally leveraged around 20% additional supply. Where CHPs own the affordable housing, it is likely that they would be able to leverage more, given the likely higher rental income.

The Community Housing Industry Association (<http://bit.ly/2BqtY9j>) (CHIA) is the peak industry body for CHPs in NSW. Since 1993, it has provided leadership, support and resources, and represented the industry to government, partners, business and the community.



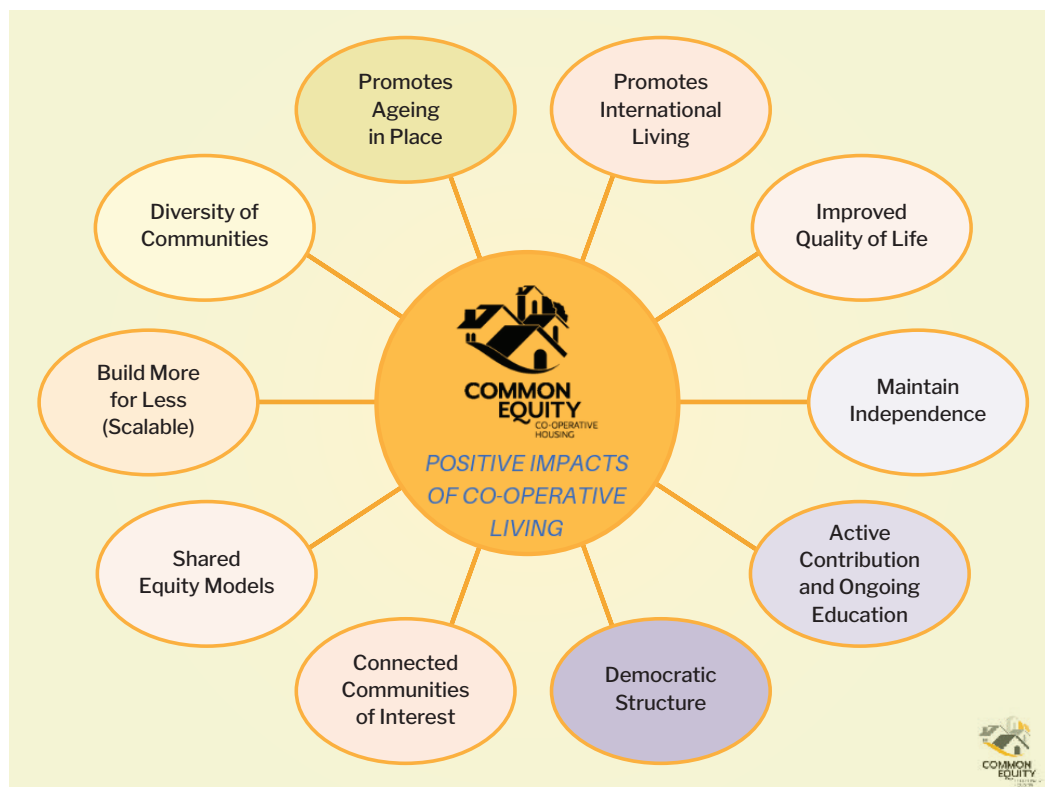
1.5.5 Housing Cooperatives

Housing cooperatives provide about 10% of community housing nationally. Uniquely in cooperative housing, tenants have a stake in the value created by the cooperative and its management, governance and strategic direction. Cooperative housing can be provided through a range tenure models including rental and privately owned co-ops, co-housing, eco villages, shared houses and tiny house parks. They can be companies limited by guarantee or registered under legislation.

Many of the models involve some sharing of resources such as community living and service areas like a laundry or produce garden, enabling a smaller overall building footprint and lower on-going costs. Residents will often be closely involved in housing design which improves satisfaction and helps to reduce costs by omitting unwanted features

and allowing conscious trade-offs to contain costs and environmental impacts. Cooperative housing can be tailored to the needs of specific groups such as people with disability and older people whose housing requirements are not well serviced by mainstream options. Drawing on their self-help approach, housing cooperatives can offer residents opportunities to develop skills and earn income by contributing to the management, maintenance and even construction of their housing.

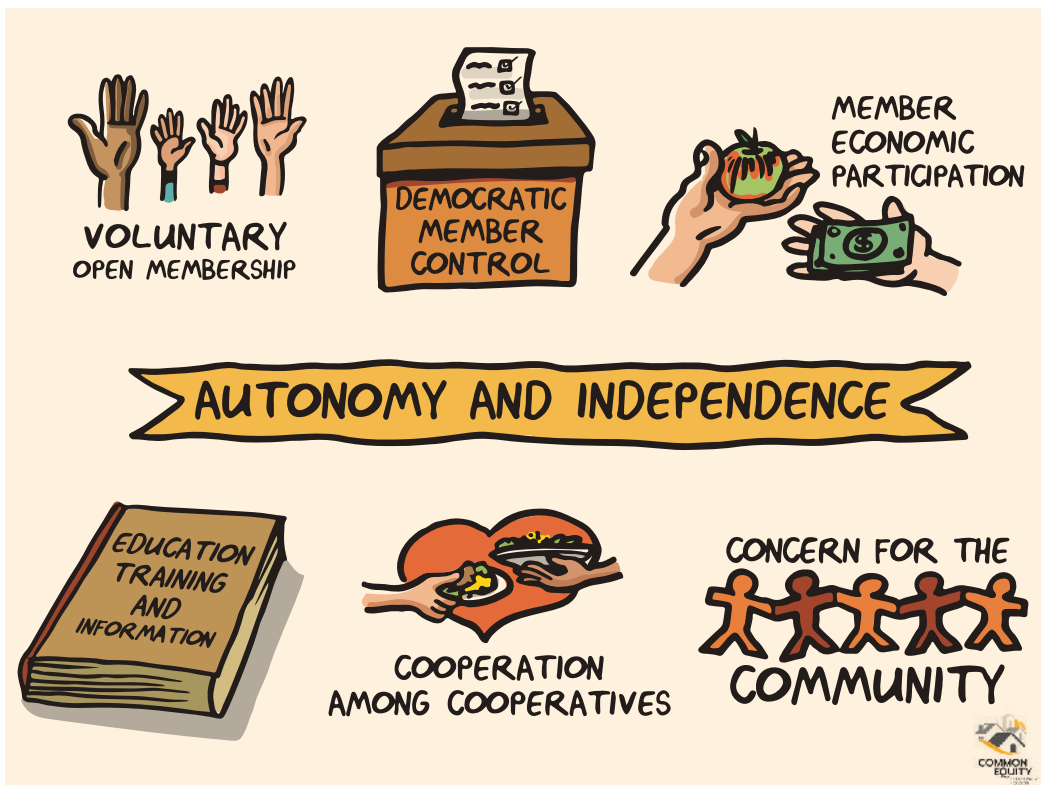
Common Equity is the peak body for housing cooperatives in NSW. It is a nationally registered Tier 2 Community Housing Provider and a registered Specialist Disability Accommodation Provider under the NDIS, managing over 500 properties across 25 Local Government Areas (LGAs). It represents many of the cooperatives involved in housing for lower income households and residents with special needs.



Whilst there are successful housing cooperatives operating at scale in many parts of the world including in Sweden and other European countries, it is the German Baugruppen or 'building group' model and Nightingale Housing initiated in Victoria that are gaining most recognition in Australia as viable customised alternatives to mainstream housing, albeit on a very small scale so far. The Baugruppen concept is based around a group of interested purchasers coming together and pooling resources to fund multi-unit housing designed to meet their needs. The approach bypasses developers and investors. Residents are often guided through the process by architects and designs usually have a focus on quality, sustainability and shared community facilities. For instance, on-site resident car parking may be replaced by bicycle racks and a space for a shared car.

Nightingale Housing (<http://bit.ly/2EA31Uy>) follows the Baugruppen model, focussing on multi-unit housing with the following features:

- ◆ By giving future homeowners the ability to invest their funds in the development of their own homes, the project requires less capital from investors. This means less interest paid to investors. Any savings are returned to members as reductions in the price of their units.
- ◆ Members engage Nightingale to manage the development for them. Nightingale does not sell them an apartment, just manages the process. With no sale involved Nightingale does not have to pay GST on sales revenue, another saving that reduces the cost of units.
- ◆ Because there is no sale there is no Stamp Duty to be paid on any of the properties regardless of first/second home owner status and/or price.



Councils can play a lead role in encouraging mutuals, clubs and associations to be engaged in local housing initiatives.



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1.5.6 Mutuals and Local Associations

Member based companies and associations often have a close interest in their local communities. Many larger organisations will have community programs through which they offer grants or other assistance to address local issues and promote better local outcomes.

For instance, many mutual banks and credit unions are responsive to the housing affordability challenges facing members and their communities, alongside their more traditional roles in providing banking services for non-profit organisations and finance for affordable housing projects. Examples include supporting housing research (such as the 2018 study of Key Worker Housing Affordability in Sydney (<http://bit.ly/2zYVvi4>) sponsored by Teachers Mutual Bank, Police Bank, Firefighters Mutual Bank and My Credit Union Limited), participating in the ACT Government's Land Rent Scheme (see C.S.1 in Module 5), contributing to housing advocacy (such as Bank Australia's Gold sponsorship and volunteering for *The Big Issue* (<http://bit.ly/2Em2zIF>)) and direct support for housing initiatives.

One example of direct support is Beyond Bank's involvement the Turning Point program (<http://bit.ly/2BT4HWx>) offered by AnglicareSA. In 2018, the Bank provided grant funding for three years for short term accommodation for homeless single-parent families with young children. It helps them to address barriers, re-build capacity and access permanent housing. The grant provided by Beyond Bank will provide furniture packages for families that frequently arrive with nothing, which they can take on to their permanent home.

Other approaches involve customers in supporting local community initiatives. For example, BDCU Alliance Bank based in the Southern Highlands offers a My Community Account (<http://bit.ly/2EB3pSw>) which allows members to nominate a local community organisation to receive the interest from the account. Beyond Bank offers a Community Reward Account (<http://bit.ly/2rGPsKm>) which provides bonus interest payable to a nominated non-profit group.

Some local clubs, especially major sporting and RSL clubs, have been directly involved in developments incorporating affordable housing. ClubGRANTS is a state-wide initiative in which registered clubs with annual gaming machine revenue exceeding \$1 million apply 1.5% of gaming machine revenue to the community development funding program administered by councils. See for example, a \$10,000 grant to Housing Plus towards the establishment of a crisis centre in Orange for women and children who are experiencing domestic violence was funded from this source <http://bit.ly/2PG91fx>.

Councils can play a lead role in encouraging mutuals, clubs and associations to be engaged in local housing initiatives by highlighting needs and opportunities and in bringing together potential partners, who in turn can bring resources and other support for housing projects.

1.5.7 Private Sector Developers and Investors

The private sector has an important role to play in shaping cities and communities. Private sector developers design and build new housing as well as retail, industrial and other facilities communities need. The private sector is also increasingly involved in constructing infrastructure.

A number of peak bodies representing the private sector, with an interest in urban planning and housing supply, contribute to policy development through research and advocacy. They include the Housing Industry Association (<http://bit.ly/2EoZs2u>), the Urban Development Institute of Australia (<http://bit.ly/2Lljexf>), the Property Council of Australia (<http://bit.ly/2SRw718>) and Urban Taskforce (<http://bit.ly/2ExRXaj>).

Investors range from small scale individual landlord investors, who own one or two residential properties, to large institutions such as superannuation funds. Small scale investors dominate the market, owning around 83% of all investment properties.



1.5.8 The Wider Business Community

The business community has become conscious of the lack of key worker housing in reasonable commuting time of business centres, the mismatch between housing opportunities and housing supply in the regions in which businesses operate and the broad economic impacts of declining housing affordability.

A March 2018 speech by the Business Council of Australia CEO, Jennifer Westacott, acknowledged that:

The cost and location of housing directly influences workforce participation, productivity, and of course, the wellbeing of households. . . High housing costs limit housing choices for consumers. This has a flow on impact for the wider economy. It makes it harder for workers to live close to jobs, it can limit turnover and it can exacerbate intergenerational inequality. Continuing with a “business as usual” approach will not produce the changes that are needed — we must adopt a new economic narrative on housing policies. We need to focus on making the market work better — not ad hoc, one-off initiatives. (<https://bit.ly/2Yey6Dc>)

As well as being part of the public dialogue on housing affordability, some businesses and business councils are taking part in promoting affordable housing by offering contributions or facilitation. Contributions are varied in nature and scope. For example, planning and economic firm SGS partners with National Shelter, Community Sector Banking and the Brotherhood of St Laurence to provide a Rental Affordability Index (RAI) which is an indicator of rental affordability across Australia (see <http://bit.ly/2GdOvQM>).

At a local level, there is a lot to gain from councils working with their local business council or Chamber of Commerce and the business community to respond to common concerns. For example in July 2018, Griffith City Council held a “Griffith Residential Land and Future of Housing Forum” which brought together 60 industry representatives with real estate agents, developers, bankers and the business chamber in attendance, and which met with favourable media coverage (see “Successful Forum In Griffith Identifies Housing Concerns” at <https://bit.ly/2RA3VE6>). The Committee for Sydney (<http://bit.ly/ZQxyJl>) is an independent think tank with membership from business, academia, government and others (<https://www.sydney.org.au/>).

1.5.9 Individuals

Finally, individuals and households as occupants of housing and as consumers of goods and services and as employees and citizens interact with government



and businesses to influence housing markets and how our cities and towns are planned and operate.

Peak bodies representing the interests of individuals include Shelter NSW and the Tenants Union of NSW. Operating since 1975, Shelter NSW is the state’s peak housing policy and advocacy body. Its vision, *A Secure Home for All*, is pursued through systemic advocacy and advice on NSW housing policy and legislation to resolve housing inequality. The Tenants Union of NSW represents the interests of individual tenants in NSW, particularly tenants who are economically and socially disadvantaged. It is the main resourcing body for Tenants Advice and Advocacy services.

1.6 Addressing Needs through Local Housing Strategies

1.6.1 Purpose of a Local Housing Strategy

A focus of this Kit is to provide information, guidance and resources to assist local councils to address housing needs now and into the future by preparing local housing strategies and other means. Effective strategies will promote a range of housing of the type, size, cost, location and availability that enable residents from different socioeconomic positions to find housing that suits their needs, preferences, aspirations and financial means.

Local housing strategies provide a framework for:

- ◆ Responding to population growth and demographic and housing market changes
- ◆ Coordinating services and employment with housing
- ◆ Protecting urban and environmental amenity
- ◆ Enabling efficient land use
- ◆ Encouraging economic and community development.

1.6.2 Department of Planning, Industry and Environment (DPIE) Local Housing Strategy Guidelines

The NSW Government encourages councils to prepare local housing strategies. The District Plans for Greater Sydney and some Regional Plans require certain councils to do so. The DPIE has developed a

Guideline and Template for councils to develop local housing strategies (see <https://bit.ly/2TWJy46>).

A local housing strategy will enable the council and the community to influence growth and development in a way that is compatible with local character and community aspirations. The DPIE also sees the strategies as the way councils translate planning objectives set out in Regional and District Plans into plans that can be implemented at local level.

This Kit can be used alongside the DPIE Guideline to provide the practical tools to help councils assess housing need and develop strategies and actions. In particular, the Kit will assist councils to respond to the housing needs of lower income households and those with special needs not well serviced by the market.

1.6.3 What are the Key Challenges?

Councils are tasked with implementing housing supply targets under state government metropolitan and regional strategies and to provide through their local environmental plans a framework for the private sector and others to deliver housing in their local areas. Under the *Local Government Act 1993* they are also responsible for recognising “diverse local community needs and interests” and “social justice principles” in their decision making.

Providing a diverse range of dwellings to meet the needs of households at different stages of their lifecycle in areas with good access to transport, services and employment opportunities is critical. Often the housing market will meet mainstream needs efficiently but fail to provide for less affluent households and those requiring special features.



Variation in the size, type, price and tenure of dwellings helps more people find appropriate housing. Small one or two bedroom units, studio apartments, boarding houses and student accommodation are often suitable options for young people and students, and for single people and couples who do not have the time, resources or capacity to maintain larger dwellings and gardens. They are often more affordable than houses.

Large families and those with more than one generation living together need bigger dwellings, usually with more bedrooms than traditional three bedroom houses, to avoid health risks and other problems associated with overcrowding. Larger households are characteristically formed by people of Aboriginal and certain other cultural identifications.

Dwellings incorporating accessible design features and group homes enable older people and people with disabilities to stay in their local community or to find housing close to relatives and support networks.

Barriers to and gaps in provision of appropriate and affordable housing for the whole community vary with location.

Changing housing needs may be experienced by:

- ◆ Older residents who are retiring and seeking smaller, affordable housing
- ◆ Residents who separate or lose a spouse or partner and can no longer afford the rent on their home
- ◆ Adult children in a family who require independent housing but want to remain in the area
- ◆ Working couples that want to start a family but will lose some of their earning potential and capacity to pay for housing
- ◆ Families afflicted with long term illness or disability that impairs their ability to pay for housing
- ◆ Low income workers who find work in an area where they cannot afford housing or commuting costs.

Common *themes* and issues

- ◆ A mismatch between the current and future need for housing and the amount and type available at affordable rents and prices
- ◆ Environmental constraints on residential land release
- ◆ Pressure on house prices from investors
- ◆ Barriers, such as discrimination, to disadvantaged households seeking to rent or buy
- ◆ Shortages of appropriate affordable housing, for example housing suitable for older people or people with disabilities
- ◆ Concentrations of disadvantage in outlying areas and in public housing estates with poor access to jobs and services
- ◆ Diversion of private rental housing to seasonal workers and/or holiday makers on platforms such as Airbnb
- ◆ Land banking by private owners and developers that ties up housing opportunities
- ◆ Limited industry interest in developing diverse housing
- ◆ Community resistance to increased density (which may be required for developing compact dwelling forms in a feasible way)
- ◆ Planning controls which discourage housing diversity
- ◆ Gaps in infrastructure required to support more housing.



1.6.4 Housing in Regional Areas

Regional areas share a number of the housing issues confronting metropolitan areas such as shortages of suitable, affordable housing for lower income households. Some housing markets in regional NSW have been found to be among the least affordable internationally, as the 13th Demographia International Housing Affordability Survey (<http://bit.ly/2BnjF5S>) points out. Away from Sydney, whilst housing prices may be lower, household incomes are too. Lack of housing diversity is commonplace, with shortages of small dwellings and housing suitable for those with special needs the greatest problem.

Lack of diversity or appropriateness of rental housing stock manifests differently depending on context. For example, in some regional areas there is a lack of small dwellings suitable for singles or couples. A single person or couple may have to rent or purchase a large dwelling, more expensive and less suitable than needed. Older people may have difficulty maintaining large dwellings.

Regional areas with fast population growth are likely to share many of the housing issues experienced in metropolitan areas. Such areas face the challenge of keeping pace with population growth and meeting demand for housing, services and employment opportunities. Rising land and housing costs threaten displacement and gentrification. Investor interest is also drawn to growing regions.

In regional areas incomes and housing costs are generally lower than in large cities. Economies tend to be less diverse with fewer employment opportunities, and there is often less choice or variety in housing, especially in private rental markets. Environmental sensitivities may restrict development, and exposure to severe weather and environmental hazards such as flooding present some regions with challenges.

Tourism may have a greater impact outside larger urban centres. Seasonal demand can cause strain, especially on the rental market. In coastal holiday destinations particularly, those in the private rental market may see available housing stock become scarce as owners capitalise on the seasonal influx.

Temporary employment spikes, such as those associated with infrastructure works or resources projects, may put pressure on rental housing stock due to the arrival of workers from outside the region. Regional university towns are susceptible to demand pressures for student accommodation.

Growth in regional areas is usually slower than in metropolitan areas. Indeed some are gradually depopulating. Regions experiencing slow growth or population decline have quite distinct issues to address, including decline in housing stock, lack of





Away from Sydney, ... shortages of small dwellings and housing suitable for those with special needs are commonplace

suitable options for older people and less choice particularly for those with special needs.

The need to deal with housing issues in regional areas is addressed in NSW Regional Plans. Some examples of housing objectives in regional plans are set out below.

The **Central West and Orana Regional Plan 2036** encourages collaboration between the NSW Government and local councils on housing issues. Objectives nominated for the state government in the Plan are to:

- ◆ Work with councils to plan for future social and affordable housing needs
- ◆ Work with councils to investigate the demand for seniors housing and to identify barriers to providing low-care and independent senior's accommodation options
- ◆ Produce guidelines to help councils plan for and manage seasonal and itinerant worker accommodation.

The **North Coast Regional Plan 2036** notes that an additional 46,000 new homes will be required in that region in the next 20 years, and that 'Housing that meets the needs of residents on a range of incomes will also be important in addressing affordable and social housing to help reduce social disadvantage

and provide shelter.' The Plan seeks to increase opportunities for affordable housing and the supply and diversity of housing.

The **Far West Regional Plan** prescribes actions for addressing cultural requirements of Aboriginal housing, as well as catering for an ageing population. Actions include:

- ◆ Producing guidelines to help councils plan for and manage seasonal and itinerant worker accommodation
- ◆ Preparing planning guidelines for the short term accommodation of mining employees to support workforce needs during mining construction, operation and shutdown
- ◆ Providing additional development incentives and reduced contributions, or using other mechanisms under the State Environmental Planning Policy (Affordable Rental Housing) 2009 that may boost construction of secondary dwellings as alternative affordable housing
- ◆ Promoting caravan parks and manufactured housing estates on unconstrained land in existing settlements and new land release areas. Councils can identify appropriate sites that meet the needs of residents and tourists through their local planning strategies.



Big Ideas Homelessness Network Newcastle, NSW

1.6.5 Understanding Homelessness

People who are homeless or at risk of being homeless are the most vulnerable. Homelessness is a complex problem arising from a number of causes including domestic violence, financial hardship, health issues and limited access to affordable housing options. Effective responses are dependent on the availability of suitable support services and appropriate affordable housing.

The Commonwealth funds state and territory governments to address homelessness under a Council of Australian Governments (COAG) agreement, the National Affordable Housing Agreement (NAHA). In the 2017/18 federal budget it was announced that the NAHA and the former National Partnership Agreement on Homelessness (NPAH) are to be reformed into a new National Housing and Homelessness Agreement (NHHA) intended to increase housing supply, improve housing outcomes and alleviate homelessness.

The NSW Department of Communities and Justice (DCJ) is the lead NSW Government department that supports people experiencing or at risk of homelessness. It funds non-government organisations, offers connections to services, and prepares homelessness strategies.

An effective response to homelessness must go well beyond the physical provision of housing and services to address issues and is outside the scope of this Kit. For this reason, it is important that strategies for provision of suitable housing work together with measures directed against social causes of homelessness.

Some local councils already have strategies and initiatives to address homelessness. The City of Sydney has a Homelessness Unit, partly funded by DCJ, which assists affected people, gathers



information, and aims to reduce homelessness. Tweed Shire Council has a range of policies and strategies to prevent people becoming homeless and to help those already in need, including a Homelessness Policy.

1.6.6 Housing Issues Confronting Indigenous People

Indigenous people and Indigenous communities typically experience much greater challenges in accessing suitable and secure housing than the rest of the community. Rates of homelessness and overcrowding are substantially greater for Indigenous Australians, along with a raft of other negative indicators.

The provision of culturally appropriate housing in the right locations must be a top priority across the state. Sally Kubiak, Director, Aboriginal Housing Office (AHO), points out that responses “need to be locally tailored and flexible, and co-designed with the community” (Aboriginal Housing: What Does the Future Hold? (<http://bit.ly/2S5HPsz>)).

A range of culturally appropriate tenure options is needed in urban and regional areas that recognise the close connection between Aboriginal people and the



... responses 'need to be locally tailored and flexible, and co-designed with the community'
Sally Kubiak, AHO

land, the obstacles to mainstream home ownership and the difficulties experienced by Aboriginal people in accessing secure private rental housing.

To achieve this, better information and better data are required on needs and opportunities. Better communication is needed with communities and individuals to help tailor effective responses, and more resources are required to meet pressing needs.

Some important steps are being put in place to improve responses to the housing issues confronting Indigenous people. Four pillars have been developed and endorsed by the NSW Aboriginal Housing Office and Aboriginal stakeholders to inform the development of a new ten year strategy:

1. Deliver housing solutions for Aboriginal people informed by evidence based demand for social and affordable housing
2. Achieve better outcomes for Aboriginal tenants by facilitating partnerships with human services agencies and Aboriginal organisations and through creating opportunities for economic participation
3. Strengthen and grow Aboriginal Community Housing Providers through capacity building, change in regulation and transfer of housing and asset management
4. Enhance data collection, evaluation and analysis functions to ensure planning is robust and resources are targetted where they are needed most.

Sally Kubiak, "Aboriginal Housing: What does the Future Hold?",
Presentation to the 2018 Affordable Housing
Conference at <http://bit.ly/2S5HPsz>

An Aboriginal Community Housing Industry Association NSW (ACHIA) is being formed to represent the Aboriginal community housing sector which comprises 100 organisations in New South Wales. ACHIA is founded on the principle of self determination and aims to ensure that the Aboriginal housing sector is well represented as the NSW Government establishes and implements social housing and homelessness strategies and plans for affordable housing (see <http://bit.ly/2Bmcivi>).

The NSW Aboriginal Land Council (NSWALC) has identified five goals under its Strategic Plan 2018 to 2022 including pursuing economic independence and prosperity for Aboriginal people. As part of this NSWALC has identified that it will establish an Aboriginal Housing capability. Adequate and appropriate housing is also inexplicably linked with the other goals of the Strategic Plan (see <https://bit.ly/2Ge3nyr>).

As highlighted in Module 3, when building an evidence base, it is important to examine the specific needs of Aboriginal and Torres Strait Islander households and to identify the kinds of housing challenges experienced by these households.

1.6.7 Environmental Sustainability and Housing Affordability

Upfront purchase costs and rent are not the only components of affordability. Energy efficient and environmentally responsible housing design and construction can have important affordability benefits. Affordability and environmental sustainability are sometimes considered to be competing objectives. This is not necessarily so, particularly when long-term affordability is taken into account. Many of the approaches that represent environmentally



sustainable design, such as careful site planning and building orientation, do not in themselves add to housing costs. Other measures, whilst contributing to upfront costs, can result in long-term costs savings – for example, in heating and water consumption. Further, if housing is of a standard that is appropriate to needs, rather than exceeding needs, it can be affordable *and* can also contain the use of resources. Homes without multiple bathrooms are one example.

A helpful examination of housing features that contribute to sustainability and the affordability implications is provided in the Commonwealth Government’s *Your Home: Australia’s guide to environmentally sustainable homes* (<http://bit.ly/2PFRaoX>). The writers observed that “well-designed, climate appropriate sustainable improvements make a home more affordable over its life span”. The analysis notes the frequently overlooked problem of adverse sustainability and affordability outcomes resulting from increasing dwelling sizes:

Increasing house size is a substantial contributor to housing unaffordability in Australia. House size affects initial purchase cost, materials consumption and ongoing heating, cooling and maintenance costs, and environmental impact. The number of people in each Australian household is shrinking but house size is growing – we are building much larger houses than we need. (<http://bit.ly/2PFRaoX>)

As well as saving land and materials, minimising the physical footprint of a building by efficient use of small spaces and passive design strategies that conserve heat or facilitate cooling can be very effective in reducing energy and running costs, and make an important contribution to overall affordability.

... if housing is of a standard that is appropriate to needs, rather than exceeding needs, it can be affordable and can also contain the use of resources

Regulatory frameworks that encourage innovation and efficiencies in the housing supply chain—such as small ‘smart’ dwellings tailored to residents’ needs, modular and/or prefabricated construction and simple features such as awnings over west facing windows, have flow-on impacts on housing costs.

Minimising consumption of energy and water, recycling waste and reducing the need for maintenance have environmental benefits and minimise costs for households and the community.

As the Commonwealth Government’s *Your Home* analysis found:

well-designed, climate appropriate sustainable improvements make a home more affordable over its life span. . . . Some sustainable features that add to the initial capital cost of a home are cost positive from day one when savings from reduced energy bills offset additional mortgage payments. Other energy and water saving features with higher initial cost deliver significant returns within the life span of the home or appliance.

Affordability of features that improve sustainable performance should therefore be considered across the life span of the home. This life cycle costing (LCC) typically focuses only on economic cost, though increased comfort, health and amenity are clearly significant benefits from sustainable improvements.

(<http://bit.ly/2PFRaoX>)

These observations are reinforced in findings by the RMIT's Centre for Urban Research which concluded that "the evidence increasingly shows that sustainability and good design can improve affordability when fuller cost-benefit analyses are undertaken and non-monetised social, health and wellbeing benefits are considered." (See <https://bit.ly/2gUNHar>).

Sustainability measures were introduced into the planning system in NSW in 2004 through the BASIX scheme (<https://bit.ly/2X4kkXs>). The scheme sets targets for reducing water and energy consumption and minimum performance levels for thermal comfort in residential buildings. These targets have been increased since the scheme commenced. Despite these initiatives there is ongoing concern that regulation alone is not delivering environmentally sustainable affordable housing. This was the impetus for the Green Building Council of Australia's Innovation Challenge which aims to "increase the availability of affordable, sustainable housing and to increase living affordability" by identifying projects which encourage the provision of low-cost, sustainable housing within broader multi-unit developments. The Innovation Challenge utilises Legacy Green Star Rating Tools to assess the affordable and sustainable design, build and performance of developments (see the Green Building Council's website at <http://bit.ly/2CgJCpb>).

There is always a risk that environmentally sustainable approaches can add to the cost of housing and planners need to bear this in mind when developing and applying sustainability requirements. Nevertheless, as noted by the Urban Research Centre of the University of Western Sydney "Balancing social, economic and ecological imperatives is the routine work of planners and designers, although clearly with regard to affordable housing, affordability must remain paramount, at least for the end user. Councils are well oriented to questions of sustainability and have policy processes to support their planning staff determine the balance on a case by case basis" (University of Western Sydney, Urban Research Centre (2008) Models of Sustainable and Affordable Housing for Local Government, Final Report (p27 <https://bit.ly/2xdRiVT>)).

1.6.8 Adaptable, Accessible and Livable Housing

With an ever-changing and ageing population, and older people and people with disabilities increasingly living independent lives, it is vital to promote housing options that can accommodate the evolving needs of different occupants and that are, or could be, made suitable for people with reduced mobility or disability. Housing that is designed with this in mind can be more successfully and more cost-effectively adapted over time.

A livable and adaptable house is one that is able to respond effectively to these needs without requiring costly and energy intensive alterations.

Most people can expect temporary or permanent variations in their physical capabilities in their life due to injury, illness or age. The Australian Bureau of Statistics reports that the percentage of individuals with a disability increases significantly with age, rising to more than 50% of people aged over 60. Longer life spans and higher proportions of older people in our society make it more likely that every home will be required to respond to the needs of a person with a physical limitation whether they are the primary resident or a visitor.

(<http://bit.ly/2GlWu1u>)

Most councils have provisions in their local environment plans (LEPs), DCPs and other policies for accessible and/or adaptable housing, including some which apply mandatory quotas in certain circumstances or for certain types of dwellings. Vista Access Architects provide a listing of local government provisions in the Sydney basin (see <http://bit.ly/2ErEsIF>).

Although requirements of this type have been in place in New South Wales for some time, there is a lack of awareness in some quarters about requirements and confusion about terminology used and what adaptable, accessible and livable housing mean. The terms have specific meanings and should not be used interchangeably.



Adaptable housing

is “designed in such a way that it can be modified easily when required in the future to become accessible to the resident with disabilities without requiring costly and intensive alterations”. (<http://bit.ly/2A3sDFz>)

Accessible housing

is designed “to meet the needs of people requiring higher level access from the outset, and usually designed and built with a specific person’s needs in mind. An accessible house meets Australian Standard AS 1428.1-2001: Design for access and mobility, and is able to accommodate wheelchair users in all areas of the dwelling”. (<http://bit.ly/2GIWu1u>)

Livable housing

is designed to specific standards contained in the Livable Housing Design Guidelines (<http://bit.ly/2PHx2CP>) for the purpose of promoting housing that “is easier to access, navigate and live in, as well more cost effective to adapt when life’s circumstances change” (<http://bit.ly/2PFPb48>). A livable home is based on principles of “universal design” in order to be usable to the greatest extent possible. Livable Housing Australia has guidelines for Silver, Gold and Platinum levels to assist those seeking to incorporate livable design principles into home design (see <http://bit.ly/2SR2mRO>).

The Adaptable Housing Guidelines and brochures outlining design principles to consider in promoting adaptable and flexible housing prepared by Clarence Valley Council provide good examples of how local government can promote these principles within an affordable housing framework (see <https://bit.ly/2Z9OLZl>) under “Adaptable Housing Guidelines”.

1.6.9 People with Disability and the NDIS

The introduction of the National Disability Insurance Scheme (NDIS) has brought about a shift in responses to the needs of people with disability based on the principle of enabling people with disability to have choice and control over their lives.

To assist participants to live independently, the NDIS provides:

- ◆ Supports that build people’s capacity to live independently in the community, supports to improve living skills, household and money management, social and communication skills and behavioural management
- ◆ Home modifications to the participant’s own home or a private rental property and on a case-by-case basis in social housing
- ◆ Support with personal care, such as showering and dressing
- ◆ Help around the home, such as assistance with cleaning and laundry.

In general, the National Disability Insurance Agency (NDIA) which administers the scheme does not invest directly in housing or borrow or use its balance sheet to procure housing. However in limited circumstances where a participant may be subject to higher costs as a result of their disability, the NDIA has indicated an intention to contribute towards capital costs of certain specialist disability housing. Specifically the NDIS will only contribute towards the cost of housing where it represents “Specialist Disability Accommodation” that is “a reasonable and necessary support for a participant due to extreme functional impairment or very high support needs, in accordance with the SDA Rules (2016)”.



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It is envisaged that over 90% of NDIS participants “will continue to access housing in the private market – rental or home ownership – or through social housing” (<http://bit.ly/2rFyrjJ>), and that costs of housing will “remain the responsibility of other housing systems, such as social housing and Commonwealth rent assistance. The NDIS will complement, but not replace, the efforts of the housing sector, the Commonwealth, state and local governments, and families.” (Report of the Joint Standing Committee on the National Disability Insurance Scheme on Accommodation for people with disabilities and the NDIS, 5 May 2016, Chapter 2 (<http://bit.ly/2zW1G6z>).

Thus, in relation to housing, there are ongoing challenges in meeting the central tenet of enabling people with disability to exercise choice and control. As acknowledged in the report of the Joint Standing Committee on the National Disability Insurance Scheme:

At present, Australians with disability are not assured of access to housing suitable for their needs. This has long been an issue of local, state and national concern. As noted in the committee’s 2015 report, the lack of adequate housing can significantly limit people’s ability to fully exercise choice and control. Ultimately it restricts their ability to participate in society and live an ordinary life.

Report of the Joint Standing Committee, Chapter 2 (<http://bit.ly/2zW1G6z>)

Constraints on the ability of people with disability to access suitable housing include “cost, disadvantage or discrimination in competition for private rental properties, and a limited supply of ‘accessible’ housing”.

The Standing Committee also reported that:

People with disability are over-represented in housing assistance programs. The committee received numerous submissions that detailed the multiple barriers people with disability face in accessing suitable housing, including barriers in the housing system and the disability support system.

The National Housing Consortium Disability Housing Futures Working Group 2017 report highlights “the rising incidence of inadequate housing for people with disability in recent years, as well as the negative workforce participation and health outcomes associated with such inadequate housing”, commenting that while “associations between inadequate housing and health are similar for people with and without disability, people with disability are over-represented in each of these groups” and that failure “to meet the gap in affordable housing will see increased financial stress, reduced workforce participation and negative physical and mental health outcomes for people with disability” (p2).

According to the Australian Housing and Urban Research Institute, people with disabilities are disadvantaged “by usually only having access to substandard housing with a limiting effect on their choice and control. In practice this means that people with disability are frequently separated from their families and informal support networks, as well as being segregated from the wider community.” The Joint Standing Committee on the NDIS identified four overarching requirements of housing for people with disabilities:

- ◆ It must be small scale and dispersed in the general community. . . .
- ◆ It must be adaptable or universally designed. Poor outcomes are compounded by poor housing design that inhibits peoples’ movement in their own home. Accessible design is a fundamental aspect of increasing independence, and, consequently, reducing reliance and costs of support. The most effective means of achieving this would be through a legislative requirement for non-discriminatory access standards in new housing.
- ◆ It must be secure. Security in this context relates to security of occupancy and the stability of existing housing arrangements. Research demonstrates security of housing is associated with important aspects of human functioning: family functioning, social participation and health. Given the high underlying risk of homelessness, as well as often limited social networks, security of



housing is of vital importance to people with disability. Brightwater Care Group called on the government to ensure that, if not all, then at least a percentage of affordable, adaptable housing is included in new housing developments.

- ◆ It must be well-located. Living in places with limited access to employment, services and public transport can compound social disadvantage significantly.

(See <http://bit.ly/2BpwwEA> Chapter 3)

The National Housing Consortium Disability Housing Futures Working Group observes that “increasing the supply of affordable housing, designed to meet the needs of people with disability, will require a coordinated effort by Commonwealth, state and local governments, Disabled People’s Organisations, community organisations and church groups, developers and builders.” (2017, p3)

When planning for future housing suitable for people with disabilities it is important to bear in mind that not all are eligible for the NDIS and that people with disabilities are not a homogeneous group, they have a full range of requirements and needs reflective of that in the broader community. In keeping with this, housing choices should be diverse and include the option for a person to live with his or her family.



People with disability have a full range of requirements and needs, reflective of that in the broader community

Examples of responses

The challenges in providing successful housing for people with disability are considerable. Recent examples of purpose-built housing achieving worthwhile outcomes include:

Abbotsford Housing Project – six fully accessible self-contained one-bedroom apartments peppered throughout a 59 unit mixed private and social housing development. The multi-storey development is located in a prime inner city suburb within 500 metres of a railway station, shops and community facilities. <http://bit.ly/2Bnt7pG>

Five Dock mixed use development – a 2004 redevelopment of a supermarket and car park to produce a range of apartment types catering for a diverse mix of residents. It provides a range of living options as part of a development connected by pedestrian paths linking private and open spaces. “By negotiating with the developer, the council was able to deliver an excellent outcome for the broader community and provide a new public library and upgraded public spaces at a significantly reduced cost, that may not have otherwise occurred. Easy access to a wide range of shops, services and amenities, promotes a sense of independence and creates opportunities for

engagement with the local and wider community. The library, supermarket and cafe bring people into the development and increase opportunities for interactions.” (Young People in Nursing Homes National Alliance in collaboration with the Department of Architecture, Monash University, *Shaping the Future Today: Transforming Housing Policy for Australians with Disability* p.58-61.)

The Haven Foundation was established in 2006 by a small number of mothers whose adult children had long-term mental illness, and subsequently registered as a housing provider in Melbourne. The Haven Foundation leased land from St Joseph’s Catholic Church to provide 14 one bedroom units by refurbishing a disused convent as well as constructing a two level apartment block on the rear portion of the land. To be eligible tenants must:

- ◆ be able to live independently
- ◆ be within public housing asset and income limitations
- ◆ have ongoing clinical support where required
- ◆ have linkages/connections to the area in which they seek housing.

<http://bit.ly/2SOI2QW>

1.7 The Planning Context

1.7.1 Planning System Requirements

In the Greater Sydney metropolitan area, the Greater Sydney Region Plan provides the strategic planning framework for council responses to housing needs as the population grows and changes. It requires each council to prepare a local housing strategy aligned with the relevant District Plan. Specific requirements and guidance are provided for the preparation of strategies where these are mandatory.

Planning requirements for councils outside the Greater Sydney Region are set through regional plans and other policy guidance. While in most cases, it is not mandatory for regional councils to prepare a local housing strategy, councils are encouraged to address housing as part of their strategic framework.

An overview of the NSW legislative framework is provided in Module 5 at 5.7 for councils planning for housing in their communities.

1.7.2 Planning Provisions for Affordable Housing

Since this Kit was launched in 2006, changes to the statutory planning framework have expanded the capacity of councils to address housing needs. They include state planning policies that aim to ensure there is adequate diverse and affordable housing.

STATE ENVIRONMENTAL PLANNING POLICY No 70 (SEPP 70)—Affordable Housing (Revised Schemes) and Division 7.2 of the *Environment Planning and Assessment Act*

SEPP 70 is the instrument through which nominated Councils are empowered to utilise the provisions of Division 7.2 of the *Environment Planning and Assessment Act* entitled “Affordable housing contributions”.

The rules in Division 7.2 are the principal mechanism for implementing Mandatory Inclusionary Zoning. Section 7.32 enables land or monetary contributions to be required for affordable housing under conditions of development consent “if a State



environmental planning policy identifies that there is a need for affordable housing within the area”.

To meet the provisions in the Act, Councils are required to prepare a planning proposal to support changes to their LEPs and to prepare a contribution scheme associated with rezoning proposals. The intention is to provide clarity for landowners and developers, while helping to ensure households on very low, low and moderate incomes retain access to housing in areas undergoing urban renewal.

The SEPP was amended in 2018 to expand its application from a limited number of metropolitan councils to all local government areas in NSW. The NSW Government has also developed the Affordable Housing Contribution Guideline to help councils prepare affordable housing contributions schemes.

STATE ENVIRONMENTAL PLANNING POLICY (HOUSING FOR SENIORS OR PEOPLE WITH A DISABILITY) (HSPD SEPP)

The HSPD SEPP aims to ensure sufficient housing for older people and people with disabilities. It includes a provision for allowing increased density in vertical villages if 10% of dwellings are dedicated to affordable rental housing. The HSPD SEPP can override local planning controls that may inhibit the provision of suitable housing. It also specifies design principles and requires the provision of support services to seniors and people with disabilities in developments subject to the policy.

VOLUNTARY PLANNING AGREEMENT (VPA)
Provisions in the *Environmental Planning and Assessment Act*

A VPA is an agreement entered into by a planning authority (such as the Minister for Planning or a council) and a developer. VPAs are typically negotiated at the time of a proposed rezoning, where a planning authority seeks to ensure a positive outcome through the development. A developer agrees to provide or fund public amenities and public services, affordable housing, or transport or other infrastructure.

Contributions can be made as:

- ◆ dedication of land
- ◆ monetary contributions
- ◆ construction of infrastructure
- ◆ provision of materials for public benefit or use.

STATE ENVIRONMENTAL PLANNING POLICY (Affordable Rental Housing) 2009 (AHSEPP)

This SEPP is intended to facilitate supply and diversity of affordable rental housing by encouraging the delivery of infill affordable rental housing, secondary dwellings/granny flats, boarding houses, supportive accommodation, social housing and group homes and mitigating the loss of existing affordable rental housing.

The SEPP defines affordable rental housing as housing for very low, low and moderate income earning households with a gross income that is less than 120% of the median household income for the ABS Sydney Statistical Area) and pays no more than 30% of that gross income in rent (see <https://bit.ly/2lxz1K7>).

Specifically the AHSEPP (<http://bit.ly/2EBSkAC>) encourages:



Infill affordable rental housing by providing floor space incentives for dual occupancy, multi-dwelling housing or residential flat building development projects in accessible locations where these uses are already permitted, if the projects include at least 20% affordable rental housing:



Secondary dwellings/granny flats by enabling dwellings in zones R1, R2, R3 or R4 satisfying the development standards set out in the relevant schedule to be assessed as complying development or, in circumstances

where the complying development requirements are not met, by permitting development with consent for secondary dwellings up to 60 square metres in floor area in

- ◆ Zone R1 General Residential,
- ◆ Zone R2 Low Density Residential,
- ◆ Zone R3 Medium Density Residential,
- ◆ Zone R4 High Density Residential,
- ◆ Zone R5 Large Lot Residential.

The SEPP limits the grounds for refusal of secondary dwellings on the basis of site area or car parking.



Boarding houses by providing floor space incentives to encourage investment in new boarding houses comprising both the traditional form of boarding houses with shared facilities and new generation boarding houses

with self contained rooms, and making those boarding houses permissible throughout the following zones or the equivalent zones for the local council area:

- ◆ R1 General Residential
- ◆ R2 Low Density Residential zones in locations close to public transport services
- ◆ R3 Medium Density Residential
- ◆ R4 High Density Residential
- ◆ B1 Neighbourhood Centre
- ◆ B2 Local Centre
- ◆ B4 Mixed Use.

In 2018, the NSW Government revised the parking provisions for boarding houses to increase that minimum at which consent cannot be refused on the basis of car parking to 0.5 spaces per boarding room (up from 0.2 parking spaces per boarding room in an accessible area and 0.4 parking spaces per boarding room otherwise). The provisions remain unchanged at 0.2 to 1 and 0.4 to 1 for development

undertaken by or on behalf of a "social housing provider". That term is defined to include a local government authority that provides affordable housing, a not for profit organisation that is a direct provider of rental housing to tenants and a registered community housing provider within the meaning of the Commonwealth *Australian Charities and Not-for-profits Commission Act 2012* (<http://bit.ly/2LmdJ1h>) (see clauses 4 and 29). In February 2019 the policy was amended to limit boarding houses in the R2 Low Density Residential Zone to 12 boarding rooms.



Supportive accommodation by increasing housing opportunities for people making the transition from supported living or homelessness to independent living by allowing supportive accommodation to be provided

in existing residential flat buildings or boarding houses without the need for development consent, if the development does not involve erection of, alteration of, or addition to a building where supportive accommodation (<http://bit.ly/2r1MRQe>) is defined as involving permanent, secure accommodation in self contained apartments, together with on-site support services (such as counselling and life skills development) for people (such as former homeless persons) who need support services.



Social housing and partnerships with private developers by enabling development consent to be sought for residential flat buildings on sites where residential flats are not normally permitted where those sites are

close to public transport in the Sydney Region or close to the business district of 32 nominated major regional centres and development is undertaken by or on behalf of *social housing providers* (<http://bit.ly/2r1MRQe>), including any of the following:

- ◆ the Department of Human Services
- ◆ the Land and Housing Corporation
- ◆ a registered community housing provider
- ◆ the Aboriginal Housing Office
- ◆ a registered Aboriginal housing organisation

- ◆ a local government authority that provides affordable housing
- ◆ a not-for-profit organisation that is a direct provider of rental housing.

(See <http://bit.ly/2r1MRQe> Divisions 5 and 6)



Group homes for vulnerable people by allowing group homes to be approved as complying development when they meet certain provisions and by increasing the number of areas where group homes can be built to include the following:

- ◆ R1 General Residential
- ◆ R2 Low Density Residential
- ◆ R3 Medium Density Residential
- ◆ R4 High Density Residential
- ◆ B4 Mixed Use
- ◆ SP1 Special Activities
- ◆ SP2 Infrastructure

Any equivalent zones for the local council area under the Standard LEP, in circumstances where a council has not yet made an LEP in accordance with the Standard Instrument (<http://bit.ly/2QE4eka>).



Mitigation of the loss of existing affordable rental dwellings

by establishing an assessment process for proposals in the Greater Metropolitan Region (including the Illawarra and Hunter regions) that impact on

existing boarding houses and low rental residential flat buildings that have not been subdivided and providing options to mitigate the loss of housing stock via compensatory payments. Specifically, a formula is provided for determining contributions to help offset the loss of low rental residential buildings and arrangements are required to be made to assist those existing residents who are likely to be displaced as a result of the development proposal as set out in the accompanying Guidelines for Retention of Existing Affordable Rental Housing (<http://bit.ly/2PJ1ETs>).

Module 2: Preparing and Implementing a Local Housing Strategy

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Module 1

Addressing Housing Needs:
Context, Roles and Issues
Why it's Vital
Defining and Measuring Affordable Housing
Agency Roles and Key Players
Purpose, Key Challenges and Issues
Planning Context

Module 2

Preparing and Implementing a Local Housing Strategy

Community and Stakeholder Engagement
Developing an Evidence Base
Setting the Scope
Developing Actions and Strategies
Implementation, Monitoring, Review and Evaluation

Module 3

Building an Evidence Base

Module 4

Financial Feasibility Assessment

Module 5

Case Studies and Resources



Outline

Solutions to housing challenges are achievable when local housing strategies are developed with a clear vision and a genuine commitment across Council, and where responses are based on a sound understanding of issues and housing needs. Significant improvements are most likely when councils are open to exploring all their roles and functions and to working in partnership with others. Module 2 provides a sequential guide to developing a local housing strategy, but it is important that the steps be planned for and integrated at the outset.

Step 1 Community and Stakeholder Engagement

Why is it Crucial?

It provides insight into housing issues, local circumstances and the dimensions of housing need.

- ◆ It both reveals and informs community expectations and priorities.
- ◆ It identifies opportunities and generates ways of responding to housing needs.
- ◆ It enables findings to be verified and initiatives to be tested.
- ◆ It helps build community ownership of local housing strategies and support for Council's part in addressing challenges through local approaches.
- ◆ It facilitates partnerships and collaboration.

When and Whom?

Engagement should not be confined to a single stage of the process. It is most powerful in building understanding – within both the community and the Council – when commenced early and continued throughout information gathering and policy development, and then pursued at strategic points during the implementation to monitor success and inform further steps.

Formal engagement processes should be combined with open communication channels through which people can make less structured contributions.

As housing affects everybody, a broad range of groups and other stakeholders should be consulted. To serve the housing needs of the entire community, a mix of voices and perspectives must be heard and addressed. Demographic data and projections should be consulted to develop engagement strategies that reach across the community, to include sections that are least vocal or least equipped to respond. If certain housing types, such as affordable rental housing and emergency housing are not common in the local area, it could lead to some sections of the community being under-represented in feedback. Discussions with community housing providers and developers may be the best way to connect with the needs of “hidden” members of the community.

Steps in Developing a local housing strategy

1. Planning and undertaking continuing community and stakeholder engagement
2. Developing an evidence base
3. Establishing the scope and identifying goals and objectives
4. Selecting strategies and actions
5. Developing an implementation plan
6. Monitoring, review and evaluation

These steps cannot be taken independently of each other. For example, community and stakeholder engagement should be a feature of both strategy development and implementation. Monitoring and evaluation are most effective when built in from the start.

What is an Engaged City: an engaged city brings people together for conversations to address issues of common importance, to solve shared problems, and to bring about positive social change. It involves people in the decision-making process such that it improves the resulting decision and, over time, builds the trust that is needed for fully empowered communities to actively create a common future

City of Vancouver, Engaged City Task Force, 2014

who to Engage

Parties which a council should consider engaging with when developing a housing strategy include:

- ◆ Local residents, including tenants, purchasers and other tenure types
- ◆ The elderly
- ◆ Indigenous residents and organisations
- ◆ Workers
- ◆ Community housing providers
- ◆ Homelessness organisations
- ◆ Community service organisations
- ◆ Private developers
- ◆ The business community
- ◆ Students and student bodies, if student accommodation is a feature of the local housing market
- ◆ Local institutions such as hospitals and universities
- ◆ Councillors and council staff
- ◆ Government agencies, such as DCJ and Landcom.

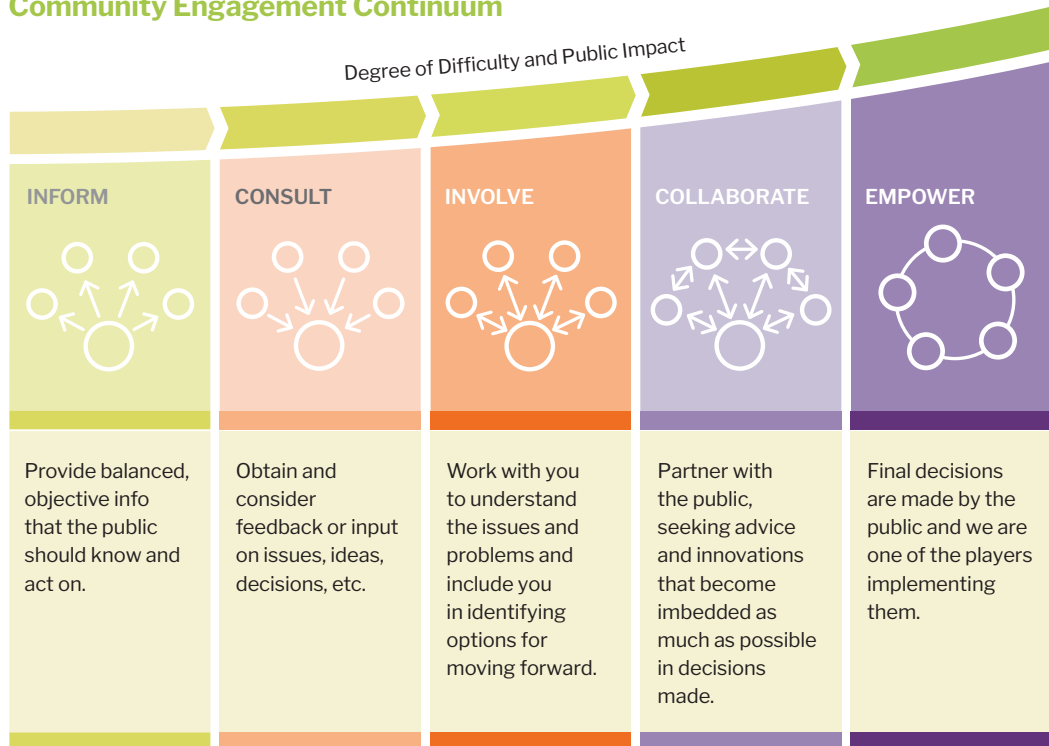
Developing an Engagement Strategy

A strategy for engaging stakeholders in housing issues can be developed as part of Council's broader approach to community engagement or as a discrete plan. Even if a discrete plan is proposed, it is important that it be designed in the context of other community engagement activities. When approaches to engaging with communities on local issues are too fragmented, messaging to and from the community can be confused, and responses may be fragmented and less effective.

Section 2.23 of the *Environmental Planning and Assessment Act* requires councils to prepare Community Participation Plans in respect of planning functions specified in section 2.21, which include making Local Environment Plans, development consents and contribution plans. Where these planning functions relate to matters being addressed in a local housing strategy, the plan for engaging with the community must meet the requirements of the section. Sub-section (4) provides that a council need not prepare a separate community participation plan if all the matters required in section 2.23 have been addressed when the council prepares its Community Strategic Plan under section 402 of the *Local Government Act 1993*.

The engagement strategy should set out principles and objectives for involving the community and stakeholders and provide a broadly based process employing a range of techniques, through all stages of developing and implementing a local housing strategy.

Community Engagement Continuum



Source: PlaceSpeak (<https://bit.ly/2CpkJGU>) adapted from the IAP2 framework

The International Association of Public Participation (IAP2) is devoted to furthering sound community engagement practices (see <https://bit.ly/2FxYRN8>). IAP2's Spectrum of Public Participation illustrated below defines different engagement activities based on their level of decision making and influence, from informing through to empowering, and identifies the outcomes and expectations involved in different kinds of involvement. It is helpful in providing a common language that can be used by participants and decision makers. IAP2 emphasises that "(t)he Spectrum show that differing levels of participation are legitimate depending on the goals, time frames, resources and levels of concern in the decision to be made".

To gain wide and meaningful input, a range of formats should be used and tailored to local circumstances. Traditional consultation methods such as public meetings and formal surveys are best complemented by less formal ways of reaching people, such as social media. Written communications and public meetings must not be the only ways people can provide input. There should be other channels, such as a phone-in line for recorded messages.

The best way to address social planning is to sit in the community space and listen.

Dr Iris Iwanicki, former President Planning Institute of Australia SA



Approaches need to be tailored to different groups. Assistance from specialists may be required to reach certain parts of the community and to communicate effectively and appropriately. Be mindful of the cultural and other sensitivities of those you are seeking to engage with, as well as their specific needs and circumstances. Also check for unconscious bias when interpreting and prioritising community input.

An excellent example of an engagement strategy that addresses these considerations is Fairfield Council's *Community Engagement Strategy 2016 Integrated Planning and Reporting Framework* (<https://bit.ly/2FzyR4e>). See also Glenorchy City Council *Community Engagement Procedure* (<https://bit.ly/2Rvx0SS>).

Examples of approaches that may be used at different stages are given in the table opposite. It's important to define the outcomes sought, so engagement is focussed and meaningful for participants, and contributes the most it can to the strategy development process. One of the challenges of community engagement is that it is rarely possible to satisfy all parties. Input must be weighed up and balanced in the strategy development process. It is very helpful if engagement can help draw out and deal with diverging views and points of tension, and prompt participants to consider trade-offs and areas for compromise.

Equally it is important to encourage brainstorming and creative problem solving as local knowledge and insights can often lead to the best solutions. In addition, for winning community support it helps if participants see that Council is listening to their feedback and is receptive to their suggestions.

Community and Stakeholder Engagement Approaches

Housing Strategy Stage	Possible approach
Preliminary	<ul style="list-style-type: none"> Establish a community engagement team. Post news on the Council website outlining Council's intention to address housing issues. Provide an outline of Council's process for engaging on housing issues in Council's regular newsletter. Launch a webpage with sign up for e-newsletter and provision for direct lodgement of submissions. Publicise through social media channels such as Facebook and Twitter.
Developing an evidence base	<ul style="list-style-type: none"> Organise public meetings on weekends and weekdays. Organise focus groups for example on youth, older people, homeless people, people with disabilities. Arrange a community survey. Meet with stakeholders, e.g. community housing providers, developers. Establish think tanks involving a mix of participants from the local community, business, development industry and service providers. Use the media to call for submissions and discussion. Request formal submissions through Council's website. Partner with service providers to engage with hard to reach groups.
Establishing the scope and focus for a local housing strategy	<ul style="list-style-type: none"> Conduct public meetings. Use newsletters to circulate updates. Convene focus groups and workshops. Operate drop-in two-way feedback opportunities at local markets and events. Distribute printed information. Put on presentations and invite discussion at Council meetings. Frame a discussion topic for existing inter-agency networks.
Developing strategies and actions	<ul style="list-style-type: none"> Conduct workshops and focus groups, targetting key participants (e.g. developers, local service providers, residents, tenants, youth, older people). Publish the draft local housing strategy for comment. Exhibit the draft strategy and provide for submissions and verbal feedback. Operate drop-in two-way feedback opportunities at local markets and events. Put on presentations and invite discussions at Council meetings.
Implementation	<ul style="list-style-type: none"> Launch the housing strategy and circulate it widely. Conduct information sessions and provide materials for developers and community organisations. Follow up with stakeholders formally and informally. Encourage people to use informal channels for continuing input.
Monitoring and evaluation	<ul style="list-style-type: none"> Circulate a regular e-newsletter with a direct feedback mechanism. Send updates and surveys by social media. Make the engagement team report against indicators.
Ongoing	<ul style="list-style-type: none"> Host and publicise community events relating to housing. Institute annual awards for housing excellence with community participation in selection. Organise regular reporting on housing outcomes e.g. an annual scorecard with community input into the scoring process.

Step 2 Developing an Evidence Base

A sound evidence base provides the foundation for determining the issues to be addressed, which in turn point to the focus, objectives and actions for a local housing strategy. Sharing evidence helps build a common understanding of issues and garners support for action. It helps identify opportunities and constraints and informs allocation of resources.

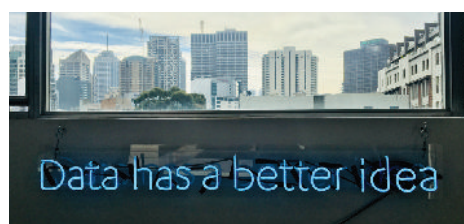
The aim of the evidence base is to build a picture of how the local community operates and the relationship between housing supply and development capacity, demand, needs and affordability.

Suggested Areas for Analysis

- ◆ the demographic position
- ◆ the economic position
- ◆ the supply of housing
- ◆ the cost and affordability of housing
- ◆ opportunities and constraints.

Important data sources include the *Census of Population and Housing*, *NSW Rent and Sales Report* and *Commonwealth Rent Assistance* data. Local and regional planning strategies and studies also provide important contextual information.

The Department of Planning, Industry and Environment (DPIE)'s *Local Housing Strategy Guideline* (<https://bit.ly/2TWJy46>) requires Councils to prepare an LGA Snapshot identifying broader social, economic and environmental factors such as cross-border issues and the transport network and infrastructure required to support housing. Module 3 provides detailed guidance and data to assist in developing an evidence base.



Unless commitment is made
there are only promises and
hopes but no plans.

Peter F. Drucker

Step 3 Setting the Scope and Guiding the Framework

Drawing on analysis of the evidence base and input from the community and stakeholders, Council can establish the focus for the strategy and identify objectives and outcomes it wishes to achieve. Initially Council may choose to concentrate on immediate and pressing issues — for example encouraging severely undersupplied forms of housing or incorporating inclusionary zoning requirements for sites about to be redeveloped — before moving to a more comprehensive approach that addresses the housing needs of the whole community over a longer timeframe.

A strategy can include high level principles and may include a vision and goal, as well as objectives. Making these explicit and stating them upfront gives participants in the policy-making process a common understanding of the outcomes being sought and the basis for

different approaches that may be required to solve the problems identified. It also provides the basis for monitoring and evaluating the effectiveness of the strategy.

Principles may cover the process for developing the strategy and whom it will assist. They can also provide a basis for evaluating different solutions to a problem and allocations of scarce resources.

Principles for Local Housing Strategies

- ◆ **Commitment to providing access to housing that is appropriate and affordable**—all residents of an area should have access to appropriate and affordable housing
- ◆ **Openness and transparency**—all interest groups are engaged in open dialogue about how housing problems are to be defined, what issues are to be addressed and prioritised, what solutions are to be considered, what recommendations are to be made and what solutions are to be implemented.
- ◆ **Fairness and equity**—any costs and benefits of policy outcomes are to be fairly distributed among residents or interest groups, with an emphasis on ensuring that the least well off receive appropriate preference.
- ◆ **Efficiency and effectiveness**—public resources are applied in such a way as to maximise benefits for sums expended.
- ◆ **Simplicity and ease of administration**—measures should be simple to implement and administer and the costs of administration should be held in check.
- ◆ **Sustainability**—solutions that are adopted are sustainable socially, economically and environmentally.

These principles can be adapted to local circumstances (as they have been for example in the Maitland City Council Affordable and Adaptable Housing Action Plan ([http://bit.ly/ 2r1lfz9](http://bit.ly/2r1lfz9))).

It may be necessary to give one principle precedence over another. For example, simplicity of administration may be compromised to ensure that outcomes benefit the least well-off. Appropriate compromises between conflicting principles may require public debate so that the resulting outcomes are broadly supported.

Goals and objectives should address the issues raised in the housing needs and market analysis, and the problems identified. Goals are broad statements of intent, addressing the problems and harnessing the opportunities that have been identified. For example, where analysis of the housing market shows that not enough choices exist to satisfy different needs and demand, a goal might be “to support successful communities through housing choice, affordability,

other Sources

Other sources that may offer valuable insights and additional information for developing an evidence base include:

- ◆ Insights and information from engagement with key stakeholders and the community
- ◆ Data and information held by Council (for example development and building approvals)
- ◆ Reports and research on specific issues or needs groups (for example, reports published by the Australian Housing and Urban Research Institute)
- ◆ Information and databases produced by state government agencies and industry bodies (for example DCJ, Community Housing Industry Association NSW and Housing Industry Association)
- ◆ Housing targets set out in district/regional plans and DPIE’s Sydney Housing Supply Forecast
- ◆ Infrastructure capacity and any planned and committed infrastructure
- ◆ Social housing waiting times for housing assistance.

adaptability, accessibility and sustainability”. Goals provide an overall direction to orient more specific, practical housing objectives.

For each objective, strategies and actions to achieve that objective should then be identified, along with the basis for measuring success.

Examples of Housing Strategy Goals and Objectives Adopted by Councils

<p>Housing for a diverse population. <i>City of Sydney Sustainable Sydney 2030 Strategic Direction</i></p> <p>To encourage the growth and diversity of the residential population by providing for a range of appropriately located housing, including affordable housing. <i>City of Sydney LEP</i></p>	<p>By 2031 the City of Ryde Council will be a leading council in Sydney in the provision of affordable housing and an increasing number of key workers in the local economy will live locally. <i>Ryde Council Affordable Housing Policy 2016-2031 Vision</i></p>
<p>To maintain and increase the amount of affordable rental stock in North Sydney LGA and ensure the long-term sustainability of Council's involvement in affordable housing. <i>North Sydney Council Affordable Housing Strategy</i></p>	<p>To support social inclusion and sustainability in the Tamworth region by promoting housing of different type, size and tenure in suitable locations, at a range of prices within the reach of households of varying composition and financial capacity. <i>Tamworth Affordable Housing Strategy 2011 Goal</i></p>

**Step 4
Developing Actions and Strategies**

The planning framework controls where and how much housing can be delivered and influences local amenity and access to transport, jobs and services. Planning mechanisms specifically designed to deliver affordable housing are a potentially effective response to housing issues. Councils’ other roles in community services, infrastructure planning and provision, advocacy and facilitation, can also be employed in housing strategies. Indeed, strategies that utilise the broadest range of measures are often the most effective.

<p>Core Roles</p> <p>Land use planning, community services and infrastructure provision</p> <p>Revenue collection, administration and enforcement of regulations</p>	<p>Planning Mechanisms</p> <p>Development incentives</p> <p>Inclusionary zoning</p> <p>Tailored planning requirements</p> <p>Project facilitation</p>	<p>Facilitation and Advocacy</p> <p>Promotion and information, community education, input to regional and state policy</p> <p>Use of Council and surplus land, partnerships and joint ventures, awards</p>
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Examples of Housing Objectives

Community wellbeing

OBJECTIVE: To promote community wellbeing through better provision of housing to meet diverse community needs.

Housing needs to be recognised as central to community wellbeing to gain the focus it deserves, and to ensure that strategies for its improvement are successful.

Contributing to quality of life

OBJECTIVE: To provide housing and communities that allow people to pursue their goals related to family, work, education, creativity, recreation or other pursuits.

Housing and the communities in which people live often shape the opportunities they have as a result of location and accessibility (to jobs, education and services, for example), the availability of space for particular activities, the capacity for privacy, and so on.

Contributing to sustainability

OBJECTIVE: To promote environmentally, socially and economically sustainable development.

“Sustainable development comprises types of economic and social development that protect and enhance the natural environment and social equity.”*

* Dunphy, D., et al, *Sustainability: The Corporate Challenge of the 21st Century*, Allen & Unwin, Sydney 2000, p. 23.

Access

OBJECTIVE: To ensure that housing is available with adequate access to transport, employment, services and the social and support networks of residents.

Access refers to the proximity of housing to services, employment and commercial centres and the availability of reliable and convenient public transport. Residential neighbourhoods outside central areas should be serviced by regular and efficient public transport. This objective can be more challenging to achieve in regional and outlying areas.

Providing diversity and choice

OBJECTIVE: To provide housing choice by encouraging a diverse range of housing of different types, size and tenure, in suitable locations, at a range of prices within the reach of households of varying financial capacity.

Housing choice refers to a household's capacity to select a home that suits its needs, preferences,

aspirations and financial means. Housing choice requires the availability of an appropriate and diverse range of housing that is accessible to households from different socio-economic groups. An inclusive community is one that offers such choice and diversity.

Providing appropriate housing

OBJECTIVE: To enable households to access housing that is appropriate to their needs.

Appropriate housing meets the needs of residents in terms of size, physical attributes and location. Housing should be of a standard that is safe and not detrimental to residents' health or wellbeing. It should accommodate daily requirements, and allow sufficient space and privacy for all. If household members have special needs, their housing must also accommodate them adequately.

Addressing affordability

OBJECTIVE: To promote housing that is affordable to households of varying financial capacity, especially very low, low and moderate income households.

Affordability generally refers to housing costs that are reasonable in relation to income as outlined in Module 1. The focus is usually on the availability of accommodation that is affordable to lower income households and those having difficulty accessing affordable housing locally.

Encouraging adaptable and accessible housing

OBJECTIVE: To encourage adaptable and accessible housing that can respond to the changing needs of residents and be cost effectively adapted to the specific needs of people with disabilities.

Adaptable housing means housing that can be modified or extended at low cost to suit the changing needs of residents. The aim should be to design and build housing so that it can be adapted for use by “everybody, irrespective of the users' age, level of mobility, health or lifestyle”. As this will have implications for housing costs and land requirements, councils may seek to specify targets for housing that meets Australian Standard AS 1428.1-2001: Design for access and mobility and/ or the Livable Housing Design Guidelines (<http://bit.ly/2PHx2CP>) (see further at Module 1.6/8/9).

Core Roles – Land Use Planning, Community Services and Infrastructure Provision

Land use planning, community services and infrastructure planning and provision are core roles for councils. The approach taken, focus and delivery of these functions influence housing outcomes in a number of ways.

Planning objectives within Council's Local Environmental Plan and associated instruments signal Council's intentions and influence outcomes. Examples of housing objectives that can be incorporated in a Local Environment Plan are:

- ◆ To promote a variety of housing (including affordable housing) to accommodate a range of income levels and increase housing choice;
- ◆ To facilitate the development of a broad and appropriate range of affordable housing types by the private sector.

Zoning and local infrastructure provision such as roads and, in regional areas, water and sewerage, determines the amount of land available for housing and influences the range of housing provided, its amenity and cost. Ensuring that adequate land is available for housing restrains prices of residential land and existing housing.

Well planned medium and high density housing development enables more households to benefit from living in accessible, sustainable and liveable environments while conserving land needed for employment uses, agriculture and open space, and preserving sensitive environments. Research shows that denser, well serviced suburbs are not only more environmentally sustainable but better for health. As the Health Foundation pointed out in 2014, residents of "higher density neighbourhoods undertake more walking and physical activity than those living in low density neighbourhoods" (*Low Density Development: Impacts on Physical Activity and Associated Health Outcomes*). Further, sharing the value of uplift between landowners and developers and the community can make it feasible to incorporate affordable housing and enhancements to the public realm and community services alongside housing development.

Community services and facilities that provide support to people close to where they live help to promote inclusion and affordable living. For example, access to childcare assists families, including those with limited means, to get to employment opportunities and meet housing costs. Support services such as mobile libraries, meals on wheels and community buses help older people age in place, and reduce the disruption and cost associated with moving.

Within the core roles of local government, **land use planning levers**, set out in the following table, are available to control housing outcomes. Differences in population, character and density, geography, resources and economic growth influence the housing issues that emerge and the appropriateness of responses.

Strategies and Actions	Purpose	Applicability	Examples
Land Use Planning Levers			
<p>Targets: Set numerical targets for affordable housing outcomes linked to broader housing supply targets and supported by percentage requirements for affordable housing in projects or precincts.</p> <p>As recognised in the Cockburn Coast District Structure plan, “Dwelling mix alone will not be sufficient to ensure a reasonable extent of affordability” (p.38).</p> <p>Government land: Incorporate affordable housing targets in conditions of sale or joint venture partnerships to bind incoming private owners and partners to deliver affordable housing.</p>	To promote affordable housing and enable progress to be measured	Areas with identified need for affordable housing	City of Sydney, <i>Sydney 2030</i> , p.24 Parramatta, <i>Draft Affordable Housing Policy</i> <i>Shoalhaven Affordable Housing Strategy</i> (Module 5: C.S.12); <i>Cockburn Coast District Structure Plan</i> , pp.XV and 37–41, https://bit.ly/2Xyh2Lp <i>Ryde Affordable Housing Strategy</i>
<p>Land supply: Identify requirements for additional housing opportunities for sub-markets and work with state agencies to ensure appropriate zoning and infrastructure.</p>	To promote opportunities to expand provision of undersupplied housing	Where demand exceeds supply	<i>Shoalhaven Affordable Housing Strategy</i> (Module 5: C.S.12).
<p>Review current controls to assess capacity for meeting housing needs. Responses could include:</p> <p>Greater provision for higher density development in areas with good access to transport and services</p> <p>Controls requiring a mix of the number of bedrooms in dwellings</p> <p>Reduced setbacks and smaller lot sizes</p> <p>“Meanwhile use” housing – the interim use of vacant land for temporary housing</p> <p>Limiting short-term holiday rental.</p>	To encourage diverse housing types, improve efficiency (and reduce costs), and increase amount of low cost rental stock	Areas with a mismatch in housing and demand and shortage of low cost private rental housing	Wyong Planning Controls: Background Report 2012; Leichhardt LEP; City of Kingston, Victoria (Module 5: E.13); “Meanwhile use” housing (Module 5: E.14); DPIE Short stay discussion paper. http://bit.ly/2KXYqfk
<p>Housing diversity requirements: Require a mix of dwelling sizes, types and tenures within a development or an area (e.g. within a master-planned development).</p>	To ensure a mix of housing to meet diverse community needs	All areas	Metropolitan Redevelopment Authority Affordable and Diverse Housing Policy Central Perth Redevelopment Area; Landcom’s Universal Housing Design Guidelines.
<p>Protect development opportunities: Ensure new development controls do not dampen potential for future higher density (e.g. by permitting modestly higher densities in areas where high density is appropriate and feasible and thereby impeding future redevelopment at optimum density).</p>	To increase housing supply, and preserve value capture opportunities	Areas with infill or greenfields development proposed	“Smart Growth” principles for compact design, for example: Hismen Hin-Nu Terrace, Oakland, California; Storrs Center, Mansfield, Connecticut.

Strategies and Actions	Purpose	Applicability	Examples
Land Use Planning Levers			
<p>Utilise state planning policies: Assess the impact of state planning policies (e.g. Housing for Seniors and People with a Disability SEPP, AHSEPP). Do the number and form of dwellings being delivered support objectives? Can they better align to local plans? Apply for inclusion in SEPP 70.</p>	To increase diversity of housing and delivery of dedicated affordable housing within new development	Areas where state planning policies apply	Parramatta Draft Affordable Housing Policy (Module 5: C.S.9) Shoalhaven Affordable Housing Strategy (Module 5: C.S.13).
<p>Review the feasibility and cost impacts of development controls. Adjusting Floor Space Ratio, height and parking requirements can improve development feasibility and reduce development costs, e.g. reducing parking requirements in well located areas or for smaller dwellings such as dual occupancy or tiny homes.</p>	To reduce the cost of housing production and end price and encourage development in designated areas	Areas where development opportunities are not taken up, or not considered to be feasible	Tiny Homes Foundation/ Central Coast pilot (Module 5: E.24).
<p>Land audit: Identify surplus sites or precincts suitable for urban renewal and additional housing.</p>	To provide opportunities for meeting supply shortfalls	Areas with a need for housing	City of Darebin, Victoria – “Exploring the Use of Council-owned Land for Affordable Housing”, https://bit.ly/2x4FjcN .
<p>Social housing renewal: Work with state agencies and their partners to deliver affordable housing through renewal of social housing precincts and smaller sites.</p>	To improve social housing and provide pathways out of social housing	Areas with existing social housing in need of renewal	NSW Government Communities Plus, http://bit.ly/2KVLDK9 . City of Sydney and NSW Government – Cowper Street project.
<p>Coordinated housing and infrastructure: Plan early engagement to optimise benefits of infrastructure investment – more housing and economic growth and potential for capturing value uplift.</p>	To provide more dedicated affordable housing with good access to opportunities	Areas with major infrastructure planned	Randwick Council (Module 5: C.S.11).
<p>Value capture opportunities: Establish a value capture matrix which can measure the value capture potential of existing development controls and proposed changes.</p>	To develop a pipeline of dedicated affordable housing	Areas with high land value and development opportunities	VPA Calculator, (Module 4: 4.3.5).

Strategies and Actions	Purpose	Applicability	Examples
Land Use Planning Levers			
Mixed use precincts: Encourage housing options to be linked with employment by enabling mixed use developments and precincts and commercial opportunities close to areas with low cost housing, and/or advocate for transport linkages.	To link housing with work and services and promote sustainable communities	All areas, particularly those with less access to work	Highlands' Garden Village, Denver, Colorado (Module 5: C.S.6), http://bit.ly/2RCpcMu .
Sustainability benefits: Consider developing a ratings tool to measure ongoing housing affordability of developments (e.g. sustainable features – orientation, dwelling size, insulation, water reuse).	To reduce ongoing housing costs and improve residential amenity	All areas	Melbourne City Council (http://bit.ly/2zLAKQk) and the National Australian Built Environment Rating System (NABERS).
Social impact assessment: Require social impact assessment for proposed developments to reduce loss of low cost accommodation and mitigate impacts (e.g. by cash contribution or support to relocate tenants).	To prevent homelessness of vulnerable groups	Areas with low cost rental that are to be redeveloped	Port Macquarie example (Module 5: E.18).

Strategies and Actions	Purpose	Applicability	Examples
Community Services and Infrastructure Provision			
Community strategic plan: Incorporate housing objectives in Council's community strategic plan.	To prioritise and communicate housing objectives	All areas	City of Sydney (Module 5: C.S.14), http://bit.ly/2ATR1sN .
Infrastructure to support housing: Coordinate approval from state agencies to ensure water, electricity, sewerage and telecommunications services are available to facilitate greenfield residential development. Augment local infrastructure to attract business investment and support viability of existing businesses.	To increase the amount of housing in an area and support new and existing businesses	All areas, particularly areas with lower economic growth and residential development	Oran Park, Camden LGA, http://bit.ly/2StRx7R .
Local economic development: Prepare a local economic development policy and/or strategy to generate more employment opportunities for local residents – this could include providing incentives for businesses to start up or relocate, such as waiving rates/fees.	To generate employment opportunities for low income households and promote sustainable communities	Areas with affordable housing but limited employment options	Port Macquarie Hastings Economic Development Strategy 2017–2021, http://bit.ly/2zIQw58 .

Strategies and Actions	Purpose	Applicability	Examples
Community Services and Infrastructure Provision			
Align local infrastructure planning — such as road improvements, parks, landscaping of commercial districts, crime reduction, street lighting, cycleways — with housing objectives; e.g. improved footpaths, main street landscaping, seating and lighting where the population is ageing.	To promote liveability	All areas where infrastructure is identified as a gap in supporting housing need	Blacktown Council Crime Prevention Through Design Draft Strategy 2017-2021. NSW Police Crime Prevention through Environmental Design Checklist, http://bit.ly/2CfCYyj .
Access to work: Ensure there are sufficient day care places for children to support single working parents.	To enable families to afford housing and commit to ongoing rent or mortgage payments	Areas with a shortage of affordable childcare and high unemployment	Port Macquarie Hastings Council, <i>Social Strategy 2013-17</i> .
Access to facilities: Prepare a policy that commits to promote inclusive and compassionate access to public spaces and community facilities.	To guide council and community responses to people who are homeless	All areas, but a priority where homelessness is an issue	Liverpool City Council and Tweed Shire homelessness policies.
Support access to community centres and community hubs for vulnerable groups or those with limited access to facilities such as residents of caravan parks and social housing tenants.	To enable low income households to get access to services, and participate and connect with their communities	Areas with low income households and need for services and support	City of Burnside, South Australia, http://bit.ly/2BU8HGL .
Suitable contributions: Ensure local infrastructure contributions plans are in place and regularly updated to maximise funds for local infrastructure without impeding development.	To provide for new residential developments to have sufficient infrastructure (e.g. community facilities and open space)	Areas with planned growth and development, particularly rapid growth areas	VPA Calculator (Module 4: 4.3.5)
Information on how to assist: Include links to housing providers and support services in Council's community services register.	To make available the help people need to maintain housing or access more affordable housing	All areas	Inner West Council Website, https://bit.ly/2FszSes . Yarra City Council, Victoria, http://bit.ly/2RE8Fb2 .

Planning Mechanisms to Promote Affordable Housing

The term “planning mechanisms” is used to refer ways of using planning powers specifically to promote affordability and accessibility. Measures identified as planning mechanisms generally fall into three groups:

- ◆ Voluntary mechanisms which offer some kind of incentive to include or maintain affordable housing;
- ◆ Mandatory requirements that make inclusion of affordable housing a prerequisite for development;
- ◆ Impact fees and restrictions to offset the loss of existing affordable housing.

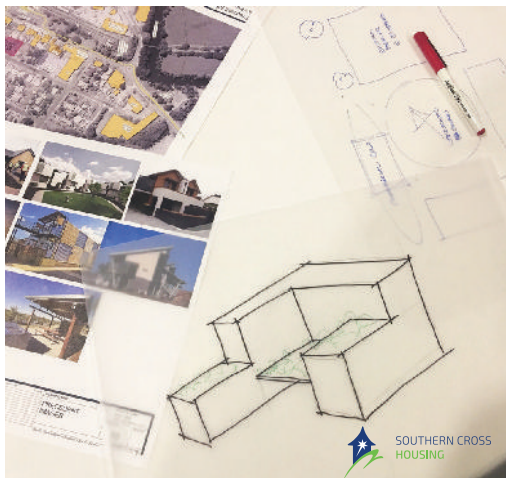
Councils can utilise voluntary approaches such as voluntary inclusionary zoning and voluntary planning agreements for affordable housing and, in certain circumstances, mandatory planning mechanisms, such as mandatory inclusionary zoning, and measures to protect existing housing stock.

VOLUNTARY MECHANISMS

Development Incentives

Voluntary approaches most commonly involve some kind of incentive such as a bonus floorspace or height allowance or a relaxation in controls or requirements. Bonuses and other variations to planning standards may be applied to the whole development or only to the affordable housing component. Voluntary Inclusionary Zoning usually involves a council signalling that it is seeking a certain component of affordable housing as part of development and providing developers with the option of utilising a specific planning incentive or concession, such as a density bonus, in return. Sometimes concerns are raised that allowing density bonuses or other variations to planning standards will undermine the integrity and/or intent of the planning framework. However, the rationale for a variation of standards is that it is acceptable in limited circumstances because of the nature of the housing involved and/or the community benefits it provides. (See Gurran et al at <https://bit.ly/2XdviJZ>, page 18)





Tailored Planning Controls for Affordable Housing

Requirements such as restrictions on the development of smaller dwellings, minimum unit sizes and restrictive covenants that require expensive materials can impede the production of affordable housing. Housing features that do not provide value to the residents can add unnecessarily to housing costs and undermine affordability. The need for particular features may vary with housing size and type. For example, residents of community housing and other types of subsidised affordable housing generally have lower rates of car ownership and so there is less need for on-site parking and greater need for access to public transport.

For these reasons, it is desirable to offer flexibility in the application of planning controls for affordable housing and other types of accommodation designed for specific needs, such as housing for people with disability. This approach may be complemented by adopting performance-based graduated planning standards, which can increase site yield and facilitate the provision of affordable housing, by linking planning requirements with dwelling size for instance. Examples include open space standards that increase proportionally to the size of the dwelling or the number of bedrooms and parking requirements that reflect the accessibility of the location and the needs of future residents.

Project Facilitation

Councils may provide incentives to non-profit housing providers and private developers to facilitate provision of affordable dwellings. Incentives in the form of facilitations and concessions may be designed to provide more affordable rental housing managed by a community housing provider or may be tied to a requirement for units to be sold or rented for a specified period to an eligible low to moderate income household. For example, a council or other consent authority may dedicate staff to expedite certain classes of applications thus reducing the applicant's holding costs, or a case manager to deal with affordable housing applications or applications by community housing providers. Other facilitation measures include linking community services planning with housing provision and assisting with brokering partnerships between local businesses and community housing providers. Concessions may include measures to reduce development costs and reduce on-going operation costs, such as a reduction in council rates, to streamline the development approval process.

Reducing barriers to affordable housing projects is another important form of facilitation. To be effective, this requires liaison with affordable housing proponents to identify the roadblocks to development. Some could be statutory planning impediments, while others may be community resistance.

Implementation of Voluntary Mechanisms

Voluntary mechanisms are commonly implemented through inclusionary zoning and voluntary planning agreements. The Affordable Rental Housing SEPP also provides an incentive framework for identified housing developments (see 1.7.2 for further details).

Voluntary Inclusionary Zoning

Voluntary inclusionary zoning usually involves a council signalling that it is seeking a certain component of affordable housing as part of development and in return providing developers with the option of utilising a specific planning incentive or concession, such as a density bonus.

Voluntary Planning Agreements

Under a voluntary planning agreement between a developer and a planning authority such as a local council, a developer may agree to provide or fund affordable housing or other public benefits. Voluntary planning agreements for provision of affordable housing are enabled by section 7.32 of the NSW *Environmental Planning and Assessment Act 1979* which envisages that a developer may agree to:

- ◆ Dedicate land free of cost, and/or
- ◆ Pay a monetary contribution, and/or
- ◆ Provide another public benefit for a specific purpose.

Agreements may be entered into at the development application or rezoning application stage, particularly in circumstances where permissible heights or densities are being increased.

MANDATORY MECHANISMS

Mandatory Inclusionary Zoning requires that a component of affordable housing be included when land is developed or redeveloped, or that a monetary contribution be paid in lieu of the direct provision of housing. Mandatory inclusionary zoning is supported by planning legislation in all local government areas under State Environmental Planning Policy No 70 Affordable Housing (Revised Schemes). See 1.7.2 for further details.

IMPACT FEES AND RESTRICTIONS

The main mechanism for protecting existing affordable housing is Part 3 of the *Affordable Rental Housing SEPP*. Part 3 establishes an assessment process for proposals in the greater metropolitan region that affect low rent flats or certain boarding houses, to mitigate the negative impact on existing affordable rental housing. A formula is provided for calculating a monetary contribution to help offset the loss of low rent residences.

Outside NSW, impact fees are used in some jurisdictions to offset impacts created by new development such as an increased need for affordable housing or the loss of existing housing as a result of the development.



SELECTING PLANNING MECHANISMS

The local housing market, land values and the type of development occurring in the area determine which planning mechanisms are most effective. Outcomes of all the mechanisms are most favourable where there is a lot of development going on.

It is difficult to compare the effectiveness of different mechanisms because of the many variables that come into play. They include the way mechanisms have been applied, whether the approach was introduced alongside up-zoning, the timing of introduction relative to periods of economic prosperity and/or construction activity, the duration of application, whether a mechanism has been applied in combination with other incentives and how actively housing outcomes have been pursued (which may be influenced by both Council commitment and community acceptance).

Mandatory inclusionary zoning is potentially more effective than voluntary measures, particularly in higher land value locations with large sites, and areas with capacity for up-zoning and redevelopment, and where it is applied across an LGA as proposed by the City of Sydney.

The following table compares some of the mechanisms available to local government to facilitate housing.

Strategies and Actions	Purpose	Applicability	Examples
Planning Mechanisms and Facilitation			
<p>Value capture: Identify opportunities for value capture and determine the most appropriate lever (SEPP 70, VPA or bonuses/incentives).</p>	To target dedicated affordable housing at low and moderate income households	Areas with housing need, where value capture is feasible, i.e. with sufficient development uplift and underlying land values	See Urbanista Report "Facilitating Affordable Housing Through Planning Mechanisms at www.urbanista.com.au , (http://bit.ly/2svDwLS).
<p>Signal inclusionary zoning: Determine that a proportion of affordable housing is to be sought by Council in greenfield or large-scale developments. If the LGA is not covered by SEPP 70, this would be through voluntary inclusionary zoning.</p>	To provide affordable housing	Areas with greenfield or large developments outside SEPP 70	Yarra City Council, Victoria, Policy Guidance Note on Affordable Housing in Significant Redevelopments, http://bit.ly/2KXfkdN ; Clarence Valley Case Study (Module 5: C.S.5).
<p>SEPP 70: Identify areas for development uplift where it is feasible to levy affordable housing contributions.</p>	To provide dedicated affordable housing	High value/high need locations where increased density is proposed	Randwick Council (Module 5: C.S.11).
<p>Voluntary Planning Agreement policy: Develop a policy to encourage and guide private developers interested in incorporating affordable housing.</p>	To provide dedicated affordable housing	Areas with development opportunities	Canada Bay Council (Module 5: C.S.4).
<p>Implementation policy: Establish an implementation policy for delivering affordable housing – including roles and responsibilities of Council and community housing providers associated with receipt of contributions and holding funds, housing delivery, ongoing asset and tenancy management.</p>	To manage affordable housing efficiently, affordably and transparently	All areas where affordable housing projects are proposed	Willoughby and Canada Bay, case studies (Module 5: C.S.18 and C.S.4).
<p>Density bonuses: Provide for inclusion of additional affordable housing when formulating Floor Space Ratio controls to enable density bonuses.</p>	To increase supply of low rent housing in higher cost areas with capacity to support additional housing yield	Areas with capacity to support additional development yield	Waverley Council (Module 5: C.S.16); Ashfield Town Centre – See Inner West example (Module 5: E.11); Fremantle Local Planning Scheme 4, https://bit.ly/2VYdMFD

Strategies and Actions	Purpose	Applicability	Examples
Planning Mechanisms and Facilitation			
Graduated planning standards: Apply performance-based planning controls linked for example to dwelling size or occupant requirements.	To increase site yield and facilitate the provision of affordable housing	All areas	Proposed in Maitland City Council, http://bit.ly/2r1ffz9 . Affordable and Adaptable Housing – Action Plan, 2013.
Dedicated planning officer: Nominate an officer to focus exclusively on supporting housing applications or to have a dedicated housing focus along with other duties.	To develop capacity within Council and provide stakeholders with a point of contact	Areas where housing strategies are to be implemented	City of Port Phillip, Victoria (Module 5: C.S.10).
Fast-track development assessment in conjunction with local or joint regional planning panels, for affordable housing projects.	To reduce costs associated with holding land and construction, and improve project viability	Areas providing opportunities or incentives for affordable housing	City of Kingston, Victoria (Module 5: C.S.13), http://bit.ly/2riCVNc .
Reduced fees: Set lower fees such as development application fees and infrastructure contribution charges for defined affordable housing projects. Ongoing rate relief may also be considered.	To improve project viability and generate cost savings to support additional affordable housing	Areas with a housing need	Brisbane City Council fee reductions for student and retirement accommodation, eligible community organisations. City of Sydney, Rate reductions for affordable housing provided by City West Housing Ltd.



Advocacy, Partnerships and Support

Councils are well placed to advocate for change and influence other levels of government. Councils participate in state and regional planning, interact with multiple stakeholders and have systems and processes which can be employed to help drive outcomes. Councils can also encourage better housing outcomes by promoting housing issues and responses across all corporate functions, by bringing players together and by playing active roles in affordable housing provision by using their own resources such as land.

The following table compares opportunities councils have to engage in advocacy, partnerships and support.

Strategies and Actions	Purpose	Applicability	Examples
Advocacy, Partnerships and Support			
Engage with communities, businesses and developers to build awareness and gather information.	To inform the strategy and build support for housing strategy	Areas with unmet housing needs and issues	Wyong Housing Strategy 2008; Parramatta Draft Affordable Housing Policy 2017 (Module 5: C.S.9).
Sponsor information sessions, public forums, research, affordable housing conferences.	To build understanding of issues and support for planned actions	Areas in which a response to housing needs and issues is being planned	City of Sydney Sustainable Sydney 2030. http://bit.ly/2UjJeNO
Establish databases and resources on housing needs and strategies for the community, developers and other stakeholders.	To communicate evidence, help monitor and communicate progress and need for adjustments	Areas with limited data and information on housing issues	Melbourne City Example (Module 5: E.15).
Build partnerships with CHPs for example Council can enter into memoranda of understanding with specific local CHPs.	To harness expertise and resources, and build capacity for creating shared value	Areas where CHPs are active and can help identify issues and responses	Armidale Council and Homes North (http://bit.ly/2RCNg27) Clarence Valley Case Study (Module 5: C.S.5).
Support non-profit real estate enterprises.	To encourage use of empty dwellings; To expand rental diversity and supply	Areas with empty dwellings and absentee owners	City of Melbourne sponsorship of HomeGround http://bit.ly/2FjLlwV ; HomeGround Real Estate Sydney http://bit.ly/2AWryyT ; Echo Realty http://bit.ly/2zKc1SN
Publicise progress on the strategy in Council's website and annual report.	To demonstrate commitment and accountability	Areas where a strategy is in place	Western Australian Government Progress Report provides Local Government examples http://bit.ly/2PoaB5s ; City of Sydney Annual Report Operational Plan Quarter 4 Report 2017/18. https://bit.ly/2RVpS2U

Strategies and Actions	Purpose	Applicability	Examples
Advocacy, Partnerships and Support			
Establish awards for excellence in housing design and outcomes.	To encourage innovative, well designed projects and build community acceptance	All areas	Waverley Council's awards (http://bit.ly/2E6ogMq) could be expanded to include housing.
Provide seed funding to innovative projects or approaches.	To encourage cross-sector collaboration, e.g. by philanthropists, commercial developers, architects, urban planners, CHPs and government	All areas	Melbourne Lord Mayor's Charitable Foundation's Affordable Housing Challenge. http://bit.ly/2QcXSrE
Advocate for additional housing resources , social housing provision and homelessness services, at other levels of government.	To respond to supply gaps and address housing need for lower income and vulnerable residents	Areas with unmet housing needs – most locations	City of Sydney http://bit.ly/2ro8cyg
Establish or join a housing fund to pool resources obtained from council and other contributions, planning mechanisms and other sources. These could be pooled with neighbouring councils under an agreed policy or protocol.	To hasten delivery of affordable housing	Areas where there is capacity to collect contributions from disparate sources, usually growth areas	Yarra Affordable Rental Housing Development Fund (http://bit.ly/2KXfkdN) 2009–2012 as a means of leveraging of government growth funds (e.g. Nation Building Economic Stimulus Plan).
Review government-owned land to identify surplus and under-utilised sites for pilot projects.	To provide opportunities for CHPs to partner to develop affordable housing	Areas with shortages of land for housing projects	Byron Shire Affordable Housing Initiatives; Various Victorian councils see summary at Affordable Development Outcomes. http://bit.ly/2UjisoV
Contribute or sell land to CHPs at subsidised rates for development of affordable housing.	To provide dedicated affordable housing	Areas with housing need, surplus land and active CHPs	City of Sydney (Module 5: C.S. 14) and Byron Bay (Module 5: E.3).
Bid for funding grants that can be used to deliver affordable housing and/or supportive infrastructure e.g. SAHF/ DCJ Community Grants (see Module 5).	To maximise available resources and generate housing	Areas that meet program criteria, including requirements for ownership by CHPs	DCJ programs.

Responding to the Local and Regional Context

The choice of strategies and actions may be informed by developing an opportunities map – a process which helps identify where and which strategies will be most effective. Progressing short term actions while a fuller strategy is developed may be an option if there are immediate opportunities.

Scoping known constraints at an early stage can also help focus strategies and timeframes.

Constraints can include:

- ◆ Policy and legislative constraints (e.g. SEPP 70 may not be applicable in lower value, low growth locations);
- ◆ Limited resources and capacity (e.g. availability of staff to undertake the work, a need to build expertise required to implement new approaches);
- ◆ Economic and market cycles (e.g. economic downturns that can exacerbate housing issues).

Module 3 provides samples for different regional contexts illustrating the actions and strategies that might be included in a local housing strategy.

Opportunities

Opportunities both short and long term may arise as a result of:

- ◆ Areas or precincts being planned or under review (e.g. greenfield areas, renewal of existing areas);
- ◆ Availability of funds or resources (e.g. developer contributions, other government programs);
- ◆ Newly emerging development or infrastructure projects (e.g. new hospitals, and correction facilities);
- ◆ Private sector development activity or large scale government initiatives (e.g. Western Sydney Airport, Sydney Metro).

Step 5 Implementation

Developing an Implementation Plan

Too often strategies fail to be implemented because other council strategies or policies do not align well with them, resources are insufficient for implementation or employees and stakeholders fail to engage. Time invested in upfront planning and project development can minimise costly mistakes and delays, and disengagement of participants.

An implementation plan sets out the sequencing and timing, and identifies dependencies and the resources required. For example, progress on some actions may require legislative change, while others may require further community consultation. For new partnership approaches, council will be interested in understanding legal and financial implications and this may require establishment of policies and protocols. The Queensland Government's Housing Strategy 2020 Implementation Plan (<http://bit.ly/2BSI7x7>) for example sets out the expected outcomes, deliverables and timing for actions in the strategy.

An effective way to implement a housing strategy can be to identify short, medium and long term actions. The strategy may initially be limited in scope to take into account early opportunities for action where resources and capacity are in place to act, or where significant development activity is proposed, with other

A goal without a plan
is just a wish.

Antoine de Saint-Exupéry

questions to Consider

- ◆ Who will actually deliver the strategy and actions?
- ◆ Who will depend on the delivery?
- ◆ Who is accountable for the delivery?
- ◆ Who are the stakeholders?
- ◆ What do they need to know about delivery?
- ◆ Which relationships are critical to success?
- ◆ What are the risks facing the strategy?
- ◆ What skills, capabilities and resources already exist in council?
- ◆ What other skills are needed and how might they be sourced?
- ◆ How quickly will decisions need to be made to ensure the strategy meets its timeframes?

strategies and actions added later. Timing may also be driven by statutory and other requirements such as annual budgets and infrastructure plans, ten year Community Strategic Plans and DPIE timeframes.

Project Governance

Clear and effective governance arrangements are critical to success and time must be taken to consider whether or not existing governance and project management systems will suffice. Governance arrangements become more complex if there are multiple and diverse agencies and stakeholders involved.

There should be clear accountability for the strategy and for specific actions. It is likely that all areas of Council will have some responsibilities for implementation and these should be clearly defined. These accountabilities should be incorporated into staff work plans and performance reviews. It may therefore be appropriate to consult across council teams and divisions when developing the governance arrangements.



The *Cabinet Implementation Toolkit 2 Governance* developed by the Department of Prime Minister and Cabinet identifies elements of an effective governance structure:

Transparency	The roles and responsibilities of each person or group involved are clearly defined, agreed to and documented. Conflicts of interest are addressed on an ongoing basis. Decisions are documented, and minutes and reports of decisions are circulated among team members and stakeholders.
Leadership	The senior executives in all areas with a policy or delivery interest agree on a clear outcome and demonstrate a shared commitment to the governance arrangements.
Accountability	There is a shared understanding of where the buck stops and defined reporting and review arrangements. The senior officer has adequate authority and time to dedicate. Other team members have the delegations and authority they need to carry out their responsibilities.
Efficiency	Processes are designed with efficiency in mind. Processes that require duplication of effort are minimised and there is a focus on achieving results.
Responsiveness	The arrangements facilitate fast and proactive management and escalation of issues, risks and disputes to the right person or body for resolution. Arrangements are reviewed regularly and can be adapted as implementation moves forward.

Risk Management

The aim of risk management is not to entirely avoid risks but to identify and assess the strategies to manage them. Strategies typically have long timeframes and need to weather hurdles that may arise from political processes, policy and legislative reviews, changing resources and other factors.

Without some level of risk management councils will be less likely to consider new and innovative approaches. Risk mitigation strategies such as pilots and staged implementation provide opportunities to identify risks and to review and refine approaches. A positive risk culture also guards against over-optimistic views of a strategy and being blind to vulnerabilities and obstacles. Most councils have risk management frameworks, which include a risk management process, risk register, risk profile and mitigation measures.

The risk management component of an implementation plan should be commensurate with the levels of risk involved and where appropriate, link with Council's general risk management framework. It should build in a process for reviewing performance of the strategy and monitoring identified and emerging risks.





Step 6 Monitoring, Review and Evaluation

Why are they Important?

An effective monitoring and evaluation framework allows a council to:

- ◆ assess what is working and what is not
- ◆ adjust strategies and actions
- ◆ consider new issues or opportunities that may have arisen.

Monitoring helps communicate progress made to key stakeholders and maintain support for a strategy. It provides evidence for adjustments that may be needed, indicating for example whether the level and use of resources are appropriate. It can also support additional opportunities that may arise during implementation such as bids for funding. Monitoring provides data to support evaluation.

Monitoring Outcomes

Establishing key performance indicators (KPIs) and collecting quantitative data and qualitative information provide a baseline for assessing progress and outcomes. KPIs can include timeframes for implementing actions as well as housing outcomes, for example changes in rental supply and affordability. They should be simple, measurable, actionable, timely and visible.

Common problems that can impair monitoring and review include inadequate resourcing, lack of a systematic planning approach, and irrelevant or insufficient data.

Developing a housing strategy dashboard which tracks progress relative to identified targets can be an effective way to monitor implementation, improve performance and ensure accountability.

Evaluation

The timeframe for evaluation will depend on the actions and strategies involved. Some actions, particularly those relating to housing supply and diversity may have long lead times especially if they depend on legislative change or industry responses requiring financing, design and construction. Capacity to separately measure and evaluate the impact of Council's actions and strategies—when other factors (such as taxation, inflation and employment) also influence housing outcomes—should be built into the evaluation framework.

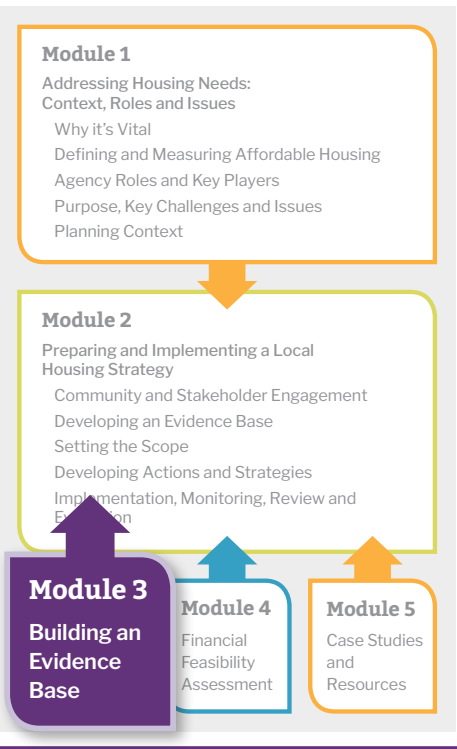
Evaluation Guidelines

The NSW Government Program Evaluation Guidelines (<http://bit.ly/2E2qJaN>) identify nine principles to underpin best practice:

- 1 Build evaluation into your program design.**
Plan your evaluation before you implement a program to ensure the program has clearly defined and measurable outcomes.
- 2 Base your evaluation on sound methodology.**
Use methodologies suited to the program's size, significance and risk.
- 3 Include resources and time to evaluate.**
Consider the required evaluation resources and timeframe when planning the project. Ensure evaluation findings will be available when needed to support decision-making.
- 4 Use the right mix of expertise and independence.**
Choose evaluators who are experienced and independent from program managers, but always include program managers in evaluation planning.
- 5 Ensure proper governance and oversight.**
- 6 Be ethical in design and conduct.**
Carefully consider the ethical implications of any evaluation activity, particularly collecting and using personal data, and potential impacts on vulnerable groups. You may need formal review and approval from an ethics committee certified by the National Health and Medical Research Council.
- 7 Be informed and guided by stakeholders,**
including participants, government and non-government staff and senior decision makers.
- 8 Consider and use evaluation data meaningfully.**
Include clear statements of findings for consideration in evaluation reports. Use reports to inform any decisions about changes to programs.
- 9 Be transparent and open to scrutiny.**
Publicly release key information about all aspects of the evaluation unless there is an overriding public interest against disclosure. This could include methodologies, assumptions, analyses and findings.

Module 3: Building an Evidence Base

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3.1 Outline

To be effective and beneficial, measures for addressing current and future challenges must spring from robust plans and policies. Plans and policies should be based on accurate knowledge of conditions, circumstances and trends, and understanding of the influences of the world beyond the local area. In framing local housing strategies and affordable housing policies, this requires analysis of statistical data under four heads:

- ◆ The Demographic Position
- ◆ The Economic Position
- ◆ Housing Supply
- ◆ Housing Costs and Affordability.

Module 3 guides users in the sourcing and analysis of the data required to understand housing needs and to frame a useful housing strategy and affordable housing policies for an LGA.

After examining the four main heads of the evidence base, Module 3 illustrates the way the findings from data analysis help to quantify housing demand and supply, identify gaps to be addressed and how they link to responses.

The module includes five sample regional typologies which capture typical factors that emerge from analysis of the local evidence base, and their implications for housing, together with examples of responsive short, medium and long term strategies.

A database linked to this module includes tabulated data for all parts of NSW which can be used in constructing the evidence base for an LGA. <https://www.facs.nsw.gov.au/resources/nsw-local-government-housing-kit/chapters/local-government-housing-kit-database>. The database is accompanied by a “Database Dictionary” explaining various labels and headings. Users are likely to need additional data that will require them to go to other sources beyond the database. These needs differ with the peculiar circumstances of each locality.

Examples of key performance indicators that can be used to measure the effectiveness of strategies and actions over time are also provided.

3.2

Using data

Housing analysis often draws on data for the entire LGA as a basis for interpreting strategic policy implications. In practice, it is also useful to conduct its studies on a smaller scale by comparing data within the LGA, for instance by suburb or postcode.

Not all analysis items come directly from the data source—they may need to be calculated from the information given. A standard definition must be used in calculating these items. A good example of this is the calculation for the Dependency Ratio which is based on ABS age data drawn from the Population Census. The Database Dictionary includes an explanatory entry, “Dependency Ratio”.

Comparisons of an LGA with larger areas, such as the Greater Sydney Region or the Rest of NSW, are helpful in understanding the role the LGA plays in its region and state. In analysing comparisons, it is essential to avoid confusing the DPIE’s Sydney Metropolitan Region (SMR), the ABS’s Greater Sydney Region (GSR), and DCJ’s Greater Metropolitan Region (GMR). In the ABS’s definition, the GSR includes the Central Coast LGA as well as the SMR defined by the DPIE. The GMR defined by DCJ comprises the entire GSR as well as the LGAs of Newcastle, Cessnock, Maitland, Port Stephens, Lake Macquarie, Wollongong, Shellharbour and Kiama. Data representing one of these three statistical areas cannot be matched in the same analysis with data for another, without adjustment.

In the Database, data for 2006, 2011 and 2016 are generally used, those being the years in which the ABS published census data.



Data has a better idea

Sources for gathering the evidence base include:

- ◆ **ABS Census Data** are categorised into four databases: General Community Profile (GCP), Aboriginal and Torres Strait Islander Peoples Profile (IP), Time Series Profile (TSP) and Working Population Profile (WPP). The TSP is used in gathering data for the Module 3 examples. It presents data from three censuses, based on the geographical boundaries for the most recent of the three, allowing meaningful comparisons to be made. Comparing data from the different Time Series Profiles is not valid, because geographical boundaries are subject to change between censuses.
- ◆ **ABS.Stat Beta** contains ABS statistics that have not yet been formally published. The data in this site are subject to change. It includes some variables that the ABS has not released before. In addition, the site encourages users to send in feedback. An ABS.Stat release calendar advises users of the latest updates and next expected updates.
- ◆ **DCJ Rent and Sales Reports** derive rental statistics from bond lodgement forms submitted to the Rental Bonds Board and sales statistics from notice of sale and transfer of land forms lodged with Land and Property Information.
- ◆ The DPIE's **Population Projections** show how the NSW population is expected to change in coming years, based on data trends for births, deaths and migrations. DPIE asserts that the projections are not targets but are in place to help understand the impacts of population growth on housing and other social services.
- ◆ **.id's demographic resources** provide well curated statistical data and are easy to navigate. The site refers to ABS Census data; however, ABS Census data should be used directly from the ABS databases wherever possible, as figures presented by .id are edited according to the company's own methodology.
- ◆ Inside **AirBNB data** is an independent, non-commercial set of tools and data that allows users to explore public AirBNB data. AirBNB is a holiday letting site, providing short-term accommodation to tourists, rented out by locals.
- ◆ The **Rental Affordability Index** has been released on a biannual basis since 2015 by National Shelter, Community Sector Banking and SGS. The Brotherhood of St Laurence joined as a sponsor in 2018. It provides a price index for rental housing markets as an indicator of rental affordability relative to household incomes across geographic areas chiefly at a state or greater capital city level. It also provides information on lower income households by household types (single pensioners, minimum wage households, student share houses etc.).

3.3 The Demographic Position

Understanding the existing community and the make-up of households in the future provides the basis for measuring current and future demand for housing in an area. It quantifies the current population, type and size of households and helps identify households that may have specific additional housing needs.

To understand the current and future community, the analysis should consider:

- ◆ Demographic trends
- ◆ Households structures
- ◆ Community profile
- ◆ Migration trends.

For each of these, analysis of pertinent datasets gathered from sample LGAs is provided to guide users in what kind of information should be collected and to highlight aspects with possible implications for housing. The sample analysis offers some insights into what individual datasets could imply when developing a local housing strategy—rather than demonstrating a complete analysis.

3.3.1 Demographic Trends

Trends in overall population size provide an important backdrop for the demographic factors influencing the market. Key trends are the high rate of population growth in Sydney and some coastal areas of NSW, and declining populations in some smaller towns in regional areas.

To enable a deeper and more effective understanding of what population growth means for future housing requirements, other data should also be considered. Significant or noticeable trends that emerge from the data will help tell the story of the housing market under analysis. For example, changes in *households by type*: what types of households (such as lone person, couples with children, group) are increasing, decreasing or otherwise changing. Analysis of demographic information on *household structures*, *community profile* and *migration trends* will enable a fuller understanding of the current and future community.

The age structure of the population influences migration trends, household formation and housing need. A large aged cohort might suggest a high need for adaptable and accessible housing while a large young population with low employment opportunities may imply a vulnerable group who require rent assistance.

3.3.2 Household Structures and Tenures

Increase in the number of households has been a consistent trend across Australia. The growing number of small households has been attributed to more people living on their own, increased life expectancies and decline in fertility. However, the 2016 census revealed that in some parts of NSW average household size had increased for the first time in many years. In some areas there was a substantial increase in the size of group households, possibly a strategy for reducing housing costs. AHURI (<http://bit.ly/2Es7Nm0>) suggests that corresponding data on lower rates of household formation for the most recent census period “may indicate that a considerable number of people are not forming new households due to a shortage of sufficient and affordable dwellings”.

As each household type has distinct housing needs, this information acquires greater value when read in conjunction with data on *housing stock by bedroom*



size. Is there sufficient diversity in housing stock to meet these needs? For example, if single person and couple households are increasing, is there an adequate supply of studio, one and two bedroom dwellings to meet demand? Is the stock increasing? Data on dwelling approvals can be consulted to see whether future housing supply is appropriate in this respect.

A breakdown of *households by tenure*, when viewed as a percentage of total households over time, can indicate where attention from planning authorities may be required. Broad trends showing an increase of private rental tenures and falling home ownership rates may be an indication of affordability issues, pending further investigation specific to the LGA. Correspondingly, household incomes and income brackets as a percentage of the population directly inform an assessment of housing affordability issues and needs. It is important not to draw simplistic conclusions from one set of data. For example, if the proportion of low income households is decreasing, does this mean that incomes are rising, or that these households are being priced out of the local housing market?

3.3.3 Community Profile

Recognising the different groups within a community is important because their needs vary and characteristics are obscured in overall population data. Sections of the community that have distinct needs include:

- ◆ People with disability
- ◆ Frail aged people
- ◆ Large households
- ◆ Homeless people
- ◆ Culturally and linguistically diverse people.

Ethnicity has a strong influence on the mix and location of housing need and demand. Different ethnic groups may have different age structures, household formation rates and fertility rates as

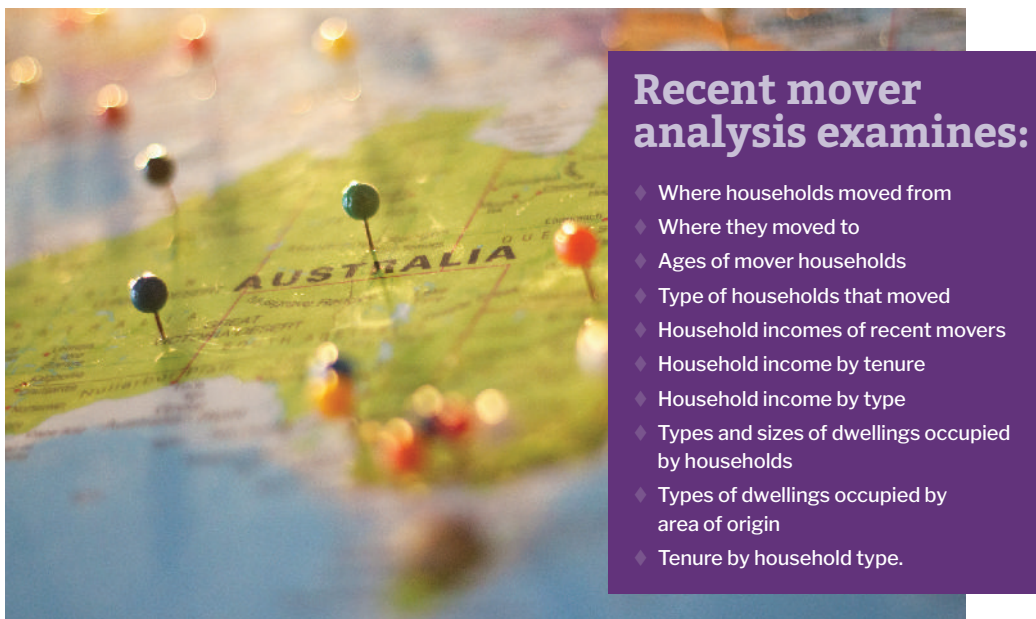
well as different tenure, housing type and location preferences.

Specific consideration of the needs of Aboriginal and Torres Strait Islander households is also vital. These households are more likely than the rest of the population to be disadvantaged with respect to housing. Common issues include discrimination in the private rental market, difficulty finding appropriate dwellings for large extended families and poverty which generates acute affordability problems and high rates of homelessness.

3.3.4 Internal Migration Trends

The numbers and types of households moving into and out of an area influence the demand for housing. Within any area there are many households that may have been in the same dwelling for years, with no intention of moving in the near future and which do not actively influence housing demand in terms of the type and price. An analysis of households that have moved into the region recently enables a picture of changing housing demand to be developed. This analysis is only possible with the aid of a special run of ABS Census data.

**The local economy
can be affected by
broader economic
conditions, structural
change and local
investment decisions
with flow-on impacts
for housing markets.**



Such an analysis enables an estimation of the evident demand for different types, sizes and tenures of dwellings and enables some conclusions to be drawn about future growth. It is more difficult to assess unrealised demand, for example as lower income groups are forced to relocate or people remain in existing unsuitable homes due to lack of more appropriate, affordable alternatives.

3.4 The Economic Position

Economic factors such as household incomes, employment trends and economic structure of an area have implications for the supply and diversity of housing and people's ability to meet housing costs. The economic profile of a local area can be understood by analysing:

- ◆ Income distribution
- ◆ Occupation profile, education and employment/unemployment trends
- ◆ Local industry and economic structure
- ◆ Socio-economic Indexes for Areas (SEIFA).

3.4.1 Income Distribution

An understanding of household incomes indicates whether or not local residents can afford housing that is appropriate to their needs. People who perform essential jobs such as cleaners, health workers and seasonal farm workers often have low incomes. An area with a high proportion of low income households will likely equate to higher demand for affordable housing (especially if they are renters).

3.4.2 Occupation Profile, Education and Employment Trends

The occupation of residents is an income-related variable that can be used to indicate the LGA's socio-economic status. Similarly education levels correlate with earning capacity and community resilience in the face of economic and social change.

Employment and unemployment trends such as shifts from full time to part time and casual employment affect the ability of some households to obtain finance for home purchase because of uncertainty about future income, or if they do have a mortgage, to afford increases in loan repayments resulting from rises in interest rates.



Daniel Norris

It is important to differentiate cyclical unemployment that results from fluctuations in the business cycle from structural unemployment that results from the permanent decline of a particular industry.

3.4.3 Local Industry and Economic Structure

The local economy can be affected by broader economic conditions, structural change and local investment decisions with flow-on impacts for housing markets. Economic declines and upswings do not affect all sectors of the economy in the same way.

The spatial impact of the continued shift to financial and information sectors of the economy from manufacturing includes strong economic growth in the central areas of Sydney but a declining employment base and stagnant economies in many non-metropolitan regions.

There is a strong link between economic growth and housing market activity. Housing markets are more diverse and responsive to demand in high growth areas than in low growth areas.

3.4.4 Socio-economic Indexes for Areas (SEIFA)

SEIFA is a measure developed by the ABS that ranks areas in Australia according to socio-economic advantage and disadvantage. There is often a link between disadvantage and concentrations of social housing and other lower-cost housing. The challenge in these areas is to improve access to transport, employment opportunities, services and facilities and also to ensure that housing options are available to enable people to continue to live close to their families and networks as their support needs change.

3.5 Housing Supply

The housing profile of an area helps identify whether the supply of housing is adequate in relation to demand and the amount of housing that is available for rent or purchase. It includes analysis of:

- ◆ Dwelling numbers, bedroom size and type
- ◆ Housing tenure
- ◆ Low cost housing stock
- ◆ Residential supply and development trends





3.5.1 Dwelling Numbers and Type

Understanding existing housing stock, including dwelling numbers, the housing mix by bedroom size and type of dwelling can provide a baseline for planning future housing delivery and allows estimated housing need based on household numbers, size and type to be compared to the mix and availability of housing. Identifying development trends and market preferences can provide insights into what the future profile may be, and highlight gaps and issues.

3.5.2 Housing Tenure

Tenure is the legal mechanism through which a household accesses housing, and influences housing security. The main tenure types include fully owned, being purchased, private rental and social housing. A trend in many areas is decline in home ownership and an increasing number of households renting privately and for longer periods of time.

3.5.3 Low Cost Housing Supply

Low cost housing may be provided by the private market but, more commonly, requires a direct subsidy to bring the cost within reach of low income

households. Social housing, which includes public housing, community housing and Aboriginal housing owned and managed by government and not-for-profit organisations, provides subsidised rental housing targeted to low-income eligible households and those with high needs. The supply and availability of social housing varies from area to area and there are long wait times in high demand locations. DCJ publishes wait time information for social housing (see <https://www.facs.nsw.gov.au/housing/help/applying-assistance/expected-waiting-times>).

Affordable housing generated through the planning system and other initiatives (mostly managed by CHPs) also provides subsidised rental housing to eligible low and some moderate income households.

Small flats, caravan parks and mobile home estates can provide low cost housing in the private market. This stock is often at risk due to pressures for redevelopment associated with gentrification and rising property prices. Sometimes the purchase or rental costs are low because dwellings are in poor condition or located in poorer amenity areas or some distance from transport, jobs and services. Lower priced rental stock is not necessarily occupied by low income households, particularly as these groups

may be disadvantaged when competing with rental applicants who have more secure employment history and references.

In some areas boarding houses provide opportunities for disadvantaged residents, especially singles. The supply and location of boarding houses can be difficult to determine as these properties are not classified as private dwellings in the standard ABS Census. Some data is available from the NSW Fair Trading Boarding House Register (<http://bit.ly/2PJqKCA>). In recent years the AHSEPP has facilitated the development of new generation boarding houses which provide self contained units in a group setting. Council development approval and construction certificate data is the best source for details of new boarding house accommodation.

Hotels, motels, bed and breakfast establishments and caravan parks are often used by homelessness services for temporary emergency accommodation. The supply and seasonal availability of this form of accommodation should also be considered, particularly where homelessness is a pressing issue and low cost rental accommodation is limited.

3.5.4 Residential Supply and Development Trends

Monitoring supply and development trends and understanding consumer preferences helps predict what forms of new housing are likely to be built in an area and is important for meeting housing supply targets in District and Regional Plans. It can highlight whether planning controls are facilitating an adequate number and sufficient diversity of dwellings.

For councils in Greater Sydney the DPIE Sydney Housing Supply Forecast provides information on where, when, and how many new homes are likely to be built based on information gathered by councils and industry. It also informs decisions on future land use zoning to ensure adequate levels of new housing supply.

Census data provides information on dwelling types at a broad level every five years for all areas, however

Councils databases are likely to be a valuable source of regular data on new dwellings and dwelling configuration. It is also important to consider the cost of new dwellings and the impact this has on the overall stock of lower cost housing. While ensuring an adequate supply of housing is a pressing issue in many areas, increasing the supply of housing that is affordable is equally important.

3.6 Housing Costs and Affordability

The interaction between housing supply and demand generates price outcomes in the housing market. Broader economic factors also affect housing costs and affordability. Relative price levels over time and across geographic or political boundaries reflect local dynamics of supply and demand. An analysis of house prices and rents, the amount of rental stock and the proportion of low cost housing available for long term rental will provide a picture of housing affordability in the area.

It's important to consider the local area in the context of surrounding areas and changes over time. Using LGA-wide figures can provide a misleading picture. The market may appear to be in balance if there are for example low levels of households in housing stress, but this could simply be because prices have forced many people out of the area in search of more affordable housing.



3.6.1 Housing Costs

Housing costs are the amount people pay for their housing. The primary housing costs are rent or mortgage payments. Other housing costs include rates and taxes, insurance, and repairs and maintenance. Some definitions also include utility payments and the cost of commuting where lower cost housing is located in poorly serviced areas. Such costs are difficult to measure and quantify.

House prices have increased significantly in many areas over past decades excluding many low and moderate income households from home ownership. Close and regular monitoring of house prices and rents and comparisons with surrounding areas and regions can highlight local housing market issues.

3.6.2 Affordability of Rental Housing

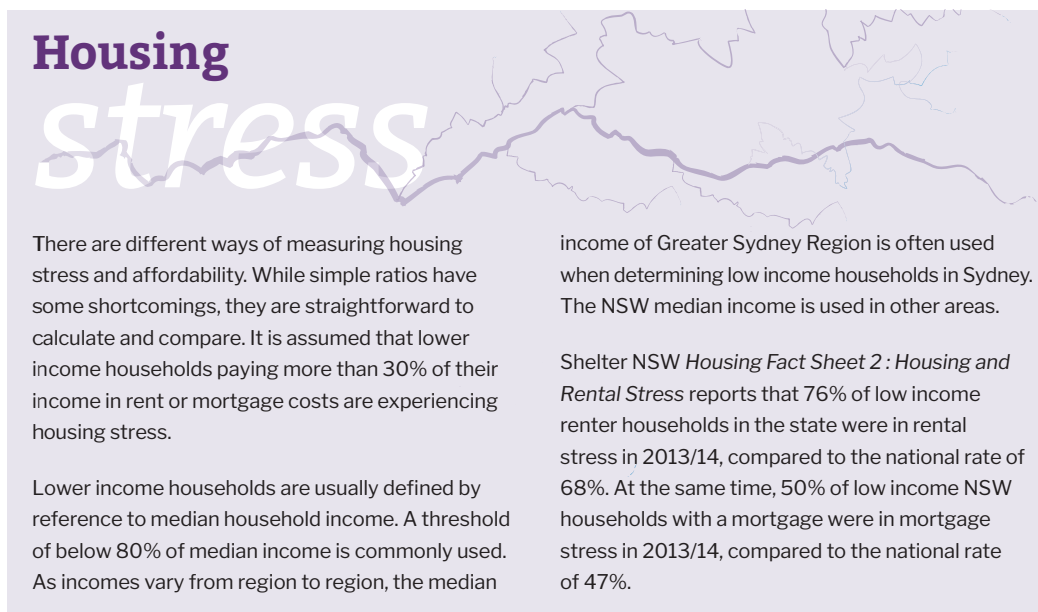
People on low incomes living in rental housing are some of the most vulnerable in the community and at highest risk if there is any tightening of supply or price increases in the private rental market. Between 1994/95 and 2013/14, the proportion of Australian households classified as renters increased from 26% to 31% and on average, private renters spend more of

their gross household income on housing costs than other tenure types (Australian Parliamentary Library Briefing Book—*Housing Affordability in Australia*, August 2016).

While the overall supply of housing may be increasing in some areas, the supply and cost of private rental stock may not. Availability of low cost private rental stock is particularly important for providing pathways out of social and affordable housing. Close monitoring of the supply of low rent dwellings (including any loss of low rent dwellings) is critical for all housing strategies. Affordability can be measured by analysing the proportion of rental accommodation that is available at less than 30% of low and moderate household incomes.

3.6.3 Housing Stress and Assistance

The main forms of housing assistance available to low income rental households are social housing and Commonwealth Rent Assistance (CRA). People in social housing receive a rent subsidy based on household size, type and gross assessable income. The subsidy means that households pay between 25% to 30% of their income in rent.



Housing stress

There are different ways of measuring housing stress and affordability. While simple ratios have some shortcomings, they are straightforward to calculate and compare. It is assumed that lower income households paying more than 30% of their income in rent or mortgage costs are experiencing housing stress.

Lower income households are usually defined by reference to median household income. A threshold of below 80% of median income is commonly used. As incomes vary from region to region, the median

income of Greater Sydney Region is often used when determining low income households in Sydney. The NSW median income is used in other areas.

Shelter NSW *Housing Fact Sheet 2: Housing and Rental Stress* reports that 76% of low income renter households in the state were in rental stress in 2013/14, compared to the national rate of 68%. At the same time, 50% of low income NSW households with a mortgage were in mortgage stress in 2013/14, compared to the national rate of 47%.



Holiday letting may reduce the supply of accommodation for long term rental and place upward pressure on rents.

CRA is an income supplement for low income people who rent in the private rental market or community housing. To qualify for CRA a person or family must receive an eligible social security payment or a service pension or income support supplement, and pay or be liable to pay more than a minimum amount of rent. The amount of assistance is 75 cents for every dollar above the rent threshold until a maximum rent is reached.

Affordable housing generated under the provisions of Division 7.2 of the *Environmental Planning and Assessment Act 1979* may be accessed by a broader group of households. As well as accommodating very low and low income households (who earn less than 80% of median income for Greater Sydney), moderate income households, who earn between 80% and 120% of the median income are also eligible.

3.6.4 Short Term Holiday Letting

Short term holiday letting is accommodation for tourists, corporate and business trips, community events, temporary accommodation while looking for long term rental and emergency accommodation. The DPIE *Short-term Holiday Letting in NSW Options Paper* notes that in NSW short term holiday letting takes four forms:

- ◆ Rental of one or more rooms (including room sharing) with the host present
- ◆ Rental of a whole dwelling (principal residence) with the host away
- ◆ Rental of a holiday dwelling (non-principal residence) with the host away

- ◆ Rental of a dwelling solely reserved for short term holiday letting.

Holiday letting may reduce the supply of accommodation for long term rental and place upward pressure on rents.

3.7 Local and Regional Context

Module 2 discusses how the selection of strategies and actions to meet housing strategy objectives can be informed by developing an opportunities map and scoping relevant constraints. Some of these factors will reflect underlying regional trends, others will be localised. They will become evident with incisive analysis of an evidence base including both statistical data and input from constituents and key players.

Set out below are five sample regional typologies which capture typical factors that emerge from analysis of the local evidence base and their implications for housing.

Module 2 also emphasises the value of progressing short term responses to priority issues and immediate opportunities, alongside the development of a more comprehensive strategy. The sample templates provide examples of short, medium and long term strategies and actions that might be included in a local housing strategy.

While the templates do not cover all circumstances and all areas will have unique local issues, they do illustrate how to move from analysis of the evidence base on to strategy development. They can be adapted and expanded to reflect and respond to local and regional conditions.

Contexts

1: REGIONAL AREA—HIGH GROWTH

Pressure Points and Issues

- ◆ Upward price pressures due to good amenities attracting retirees; competition for accommodation from holiday makers; rising demand from households attracted by affordable housing or work opportunities; demand for student accommodation
- ◆ Low average incomes owing to many residents being older than working age and pockets of social disadvantage
- ◆ Smallness of the private rental sector and lack of diversity in rental accommodation
- ◆ Lack of diversity in the housing market especially outside major centres, with a predominance of large detached homes
- ◆ Diversity of needs including smaller households, single parent households, ageing population, indigenous and other cultural groups, students and homelessness
- ◆ Limited public transport and high reliance on private cars
- ◆ Seasonal fluctuations in the economy, high unemployment
- ◆ Vulnerability to natural disasters, changing climate and extremes of weather

Key Players and Perspectives

- ◆ Strong opposition from sectors of the community to increases in density and different forms of housing
- ◆ Opposition from neighbours to low cost housing such as social and other forms of affordable housing
- ◆ Council concern about lack of suitable affordable housing
- ◆ Development industry interest in sites with sufficient development uplift
- ◆ CHPs and other not-for-profit groups seeking opportunities for development of affordable housing projects
- ◆ Discrimination against some types of tenant, e.g. young people and Aboriginal households, seeking to rent privately
- ◆ State government targets for housing supply

Constraints

- ◆ Limits on land availability as result of environmentally sensitive lands and ownership monopolies.
- ◆ Low housing density and environmentally sensitive land make some infrastructure less viable.

Context 1: REGIONAL AREA—HIGH GROWTH

Opportunities

- ◆ Increased density likely to be feasible due to population growth, increasing land values in centres
- ◆ Development of Council-owned land for affordable housing
- ◆ Target improvements to services and accessibility in more affordable locations
- ◆ Active CHPs with resources, tenancy management expertise and increased capacity to develop projects

Possible Strategies and Actions

SHORT TERM (within 3 years):

- ◆ Build evidence base and engage with the community and other stakeholders on housing issues.
- ◆ Ensure there is sufficient land in R1, R3 and B4 zones around key centres for a diversity of housing.
- ◆ Assess affordability impacts of development controls and codes.
- ◆ Investigate council and other government or privately held surplus sites that may suit affordable housing.
- ◆ Require social impact assessment of major developments.
- ◆ Set requirements for minimum provision of accessible housing.

MEDIUM TERM (3–5 years):

- ◆ Seek inclusion in SEPP 70.
- ◆ Promote good quality boarding house developments close to key centres.
- ◆ Identify a Council-owned site for a pilot affordable housing project.

LONG TERM (5–10 years):

- ◆ Rezone precincts for higher density with incentives for smaller dwellings and a more diverse dwelling mix.
- ◆ Mandate affordable and low cost dwelling types in appropriate developments and locations in R1, R3 and B4 zones close to key centres (SEPP 70).

Context 2: REGIONAL AREA—STEADY GROWTH, BUOYANT ECONOMY

Typical Features

- ◆ Steady population growth with a gradually shifting demography, changing household structures and more elderly people living longer
- ◆ Buoyant economy with businesses centred around major centres
- ◆ Considerable employment and economic growth and relatively low unemployment
- ◆ Strong representation of younger people, particularly young workers, compared with other regional locations
- ◆ Diverse and productive industries such as agriculture, advanced manufacturing, tourism, retail and service sectors
- ◆ Regional health, education and transport infrastructure

Pressure Points and Issues

- ◆ Diversity of needs such as those of singles and couples, single parent households, ageing population, indigenous and other cultural groups, students
- ◆ Lower average incomes than metropolitan areas, with pockets of social disadvantage and homelessness
- ◆ Lack of diversity in the housing market, typically with a predominance of large detached homes, and slow increase in numbers of home units
- ◆ Upward housing price pressures due to growth, rising demand from households attracted by work opportunities, affordable housing and growing tourism
- ◆ Small private rental sector with low vacancy rates
- ◆ People living in group household arrangements because of lack of suitable alternatives
- ◆ Development of zoned land for housing not keeping pace with demand
- ◆ Shortages of temporary and emergency accommodation
- ◆ Limited public transport and high reliance on private cars
- ◆ Seasonal economic fluctuations, resulting in peaks in housing demand and times of higher unemployment
- ◆ Vulnerability to natural disasters, changing climate and extremes of weather

Players and Perspectives

- ◆ Council, business and community concern about lack of suitable affordable housing
- ◆ Community housing providers and other not-for-profit groups seeking opportunities for development of affordable housing projects
- ◆ Crisis support services seeking options for dealing with high demand
- ◆ Discrimination against some types of tenant, e.g. young people and Aboriginal households, seeking to rent privately
- ◆ Limited availability of rental housing and small dwellings impacting on ability of business to access labour

Constraints

- ◆ Construction industry may be dominated by small-scale, local builders. The absence of larger developers may limit middle to high quality medium density and small lot development.
- ◆ Infrastructure costs may be impeding land development.
- ◆ Low housing density and environmentally sensitive land may make some infrastructure less viable.
- ◆ Potential resistance to increases in density, different forms of housing and affordable housing.

Context 2: REGIONAL AREA—STEADY GROWTH, BUOYANT ECONOMY

Opportunities

- ◆ Potential to build on business interest to address housing issues and explore alternative approaches
- ◆ Increased density likely to be more feasible due to population and economic growth and unmet demand
- ◆ NSW Government commitment to support growing regional centres, activate local economies and improve services through its Regional Growth Fund and other initiatives
- ◆ Council-owned land as a catalyst for development of affordable housing
- ◆ CHPs with tenancy management expertise and increased capacity to develop projects

Possible Strategies and Actions

EARLY RESPONSES

- ◆ Engage with construction industry to identify constraints to development of zoned land.
- ◆ Investigate council and other government or privately held surplus sites for diverse and affordable housing.
- ◆ Explore opportunities for innovative, locally tailored approaches such as land rent, home share, adaptive reuse of dwellings and incentives for utilising vacant dwellings.

SHORT TERM (within 3 years):

- ◆ Streamline approval processes.
- ◆ Set requirements for minimum provision of accessible housing.
- ◆ Review planning controls and contributions plans to support, for example, small lot development, dual occupancies, secondary dwellings and conversion of existing dwellings to units.
- ◆ Assess affordability impacts of development controls and codes.
- ◆ Ensure there is sufficient land in R1, R3 and B4 zones in accessible locations for a diversity of housing.
- ◆ Encourage the business community to participate in addressing housing affordability requirements, for example by undertaking social impact assessment of large projects and encouraging inclusion of affordable housing in major developments.
- ◆ Develop active relationships with affordable housing providers to support current and future projects and help secure government grants and incentives to provide affordable housing.
- ◆ Support ageing people to remain in their homes.
- ◆ Identify key locations suitable for aged care accommodation.
- ◆ Strengthen coordination mechanisms for infrastructure and land development.

LONGER TERM (3+ years):

- ◆ Rezone precincts for higher density with incentives for smaller dwellings and a more diverse dwelling mix.
- ◆ Promote good quality new generation boarding house developments in accessible locations.
- ◆ Set mandatory requirements for affordable dwellings in appropriate developments and locations (SEPP 70).

Context 3: REGIONAL AREA—LOW GROWTH

Pressure Points and Issues

- ◆ Diversity of needs, from ageing population, indigenous residents, homeless persons, those needing crisis accommodation
- ◆ Economic vulnerability due to seasonal factors, reliance on few industries and businesses—with a risk of downturn due to closures, restructuring, environmental factors and inbound migration
- ◆ Limited long term rental, due to purchase of holiday homes by non-residents
- ◆ Small private rental sector and social housing stock
- ◆ Lack of diversity in the housing market, with a predominance of detached family homes
- ◆ Lower housing costs and often much lower income than in metropolitan areas
- ◆ Limited public infrastructure, with high reliance on private cars
- ◆ Vulnerability to natural disasters and extreme weather events (such as coastal erosion and inundation)

Key Players and Perspectives

- ◆ Construction industry may be dominated by small scale, local builders alongside mid-sized home builders. The absence of large developers may result in shortage of middle to high quality medium density and small lot villa developments
- ◆ Lack of interest in or support for alternatives to detached houses
- ◆ Discrimination against some types of tenant, e.g. young people and Aboriginal households, seeking to rent privately

Constraints

- ◆ Limited development industry interest in producing housing and participating in partnerships
- ◆ Limited supply of social housing
- ◆ Few employment opportunities
- ◆ Declining services and facilities

Context 3: REGIONAL AREA—LOW GROWTH

Opportunities

- ◆ Availability of residential land in urban precincts – potentially linked to charges rate relief to incentivise development
- ◆ Improving access to jobs in regional centres with affordable housing
- ◆ Explore innovative ways to improve access to services and facilities
- ◆ Partnerships with CHPs, ACHPs, Aboriginal Land Councils and mutuals to supply affordable housing

Possible Strategies and Actions

SHORT TERM (within 3 years):

- ◆ Summarise immediate issues and needs.
- ◆ Review development trends to determine whether the supply pipeline is adequate and can promote housing diversity.
- ◆ Audit council and other government land holdings to identify surplus sites suitable for an affordable housing project.

MEDIUM TERM (3–5 years):

- ◆ Review planning controls to incentivise more affordable and diverse housing (e.g. encourage small lot subdivision, raising height controls in urban centres, reduced parking requirements, relaxed landscaping requirements, DA fee reductions, rates discounts, waiving contributions and other incentives for secondary dwellings close to centres).
- ◆ Create incentives for ageing people to remain in the area (e.g. improved services by attracting doctors, supporting community care services, identifying key locations suitable for aged care accommodation).
- ◆ Develop active relationships with affordable housing providers to support current and future projects and help gain access to government grants and incentives to provide low cost social housing.

LONG TERM (5–10 years):

- ◆ Implement an affordable housing project on a surplus site in partnership with a CHP.
- ◆ Investigate potential for Land Rent or Buy Assist models to support home ownership for low income households.

Context 4: METROPOLITAN AREA—CENTRAL/ACCESSIBLE LOCATION

Pressure Points and Issues

- ◆ New infrastructure and transformational urban renewal changing the housing market
- ◆ Gentrification driven by high income workers being drawn to the area, with increased housing stress for existing low to moderate income households
- ◆ Worsening unaffordability of rents and dwelling prices, leading to reduction of key worker population
- ◆ Challenges in balancing the provision of affordable housing and the provision of quality amenities
- ◆ Worsening homelessness with a shortage of crisis accommodation
- ◆ Limited policy frameworks in place for value capture

Players and Perspectives

- ◆ Developers likely to be opposed to affordability schemes if they impair development feasibility
- ◆ Strong community opposition to social housing renewal and concern for residents who may be displaced
- ◆ Existing resident concerns about over-development and unsuitable development, extending to affordable housing projects
- ◆ New residents' preference for medium density housing such as townhouses and semis in well located areas (compared with detached dwellings in outlying suburbs).
- ◆ Active CHPs and other not-for-profit entities
- ◆ Greater Parramatta and the Olympic Peninsula and Macquarie Park key urban renewal precincts associated with proximity to new transport services

Constraints

- ◆ Rapid rise in housing prices and declining affordability, competition for low cost rental housing
- ◆ State residential tenancy laws and regulations limiting the viability of long term rental options
- ◆ Decline in low cost rental housing schemes

Context 4: METROPOLITAN AREA—CENTRAL/ACCESSIBLE LOCATION

Opportunities

- ◆ Upzoning opening the opportunity for SEPP70 affordable housing contributions
- ◆ Plans for renewal of social housing to incorporate additional affordable housing
- ◆ Opportunities to support Build-to-Rent model

Possible Strategies and Actions

SHORT TERM (within 3 years):

- ◆ Review planning controls to build diversity of housing linked to need.
- ◆ Monitor the supply of low cost rental housing.
- ◆ Identify areas suitable for upzoning and test feasibility of affordable housing contribution rates.
- ◆ Develop a plan for managing and expenditure of funds.
- ◆ Sell council-owned land at a subsidised rate to CHPs.

MEDIUM TERM (3–5 years):

- ◆ Mandate targets for affordable rental housing supply on urban renewal sites, supported by planning mechanisms to enable delivery.
- ◆ Advocate on key housing issues to federal and state governments through submissions to planning policy reviews, inquiries and state level urban renewal master-planning processes.

LONG TERM (5–10 years)

- ◆ Harness the potential of large scale urban renewal projects to pilot models that deliver more affordable housing and may attract institutional investors, financiers and developers through joint ventures and public and private partnerships.
- ◆ Implement a demonstration affordable housing project in partnership with a CHP.

Context 5: METROPOLITAN AREA—OUTLYING LOCATION

Pressure points and issues

- ◆ Price pressure from population growth in both established and new release areas
- ◆ Increase in proportions of one person and two person households producing stronger demand for housing choice
- ◆ Lack of diversity in housing market e.g. a predominance of detached dwellings, despite growing need for medium to high density housing (particularly near key centres)
- ◆ Major new infrastructure associated with transformational change—including Northwest and Southwest rail lines and Western Sydney Airport

Players and Perspectives

- ◆ Community opposition anticipated to higher density dwelling types—for example blocks of flats
- ◆ Developer concern about planning and infrastructure delays
- ◆ Community opposition to increased pressure on local infrastructure and amenities as a result of new transport and higher densities e.g. open space, libraries, roads
- ◆ State government concern and reforms to address concentrations of disadvantage in social and affordable housing

Constraints

- ◆ Planning controls not providing sufficient opportunities for a diverse mix of housing, particularly medium density forms such as townhouses, villas and terraces
- ◆ Limited infrastructure capacity of existing key centres that may impede opportunities for increased densities (e.g. road congestion, open space, childcare) and transport (especially in areas of social disadvantage)
- ◆ Pockets of low service provision and accessibility that limit market for increased density housing



Context 5: METROPOLITAN AREA—OUTLYING LOCATION

Opportunities

- ◆ Locations in or near key centres suitable for increased densities and housing diversity. Link to mechanisms to:
 - enhance local facilities (e.g. through increasing mixed use development)
 - improve existing local open spaces and parks to increase usability and access
 - expand and improve existing retail centres
- ◆ Opportunities to position mixed use land zones such as B2 and B4 in proximity to R3 and R2 zones to allow greater flexibility in housing diversity and choice

Possible Strategies and Actions

SHORT TERM (within 3 years):

- ◆ Plan for increasing density near new and existing rail stations and investigate value capture opportunities there for affordable housing.
- ◆ Investigate future value capture opportunities across the LGA for affordable housing contributions.
- ◆ Advocate for affordable housing in the Smart Cities Plan for Western Sydney.

MEDIUM TERM (3–5 years):

- ◆ Develop a planning proposal and affordable housing contribution scheme (SEPP 70) for application in precincts planned for increased density.
- ◆ Investigate renewal opportunities for key areas close to rail stations, where infrastructure is inadequate to support density increase e.g. audit infrastructure needs and identify future housing opportunities.
- ◆ Promote good quality boarding house developments and secondary dwellings close to key centres.
- ◆ Encourage mixed use development opportunities that can consolidate commercial, retail and high density residential uses.

LONG TERM (5–10 years):

- ◆ Investigate opportunities for community/affordable housing on council and state government owned sites, linked to local needs.



Guiding
questions

- ◆ Is there a mismatch between need and supply?
- ◆ How much development capacity is there across the area?
- ◆ What types of housing are being produced?
- ◆ Is the housing being provided affordable and appropriate?
- ◆ Who is missing out?
- ◆ What are the gaps and where are they?
- ◆ Do areas with affordable housing have access to jobs and services?
- ◆ Are there short-term issues and priorities?
- ◆ How are other players responding to housing needs in the area?
- ◆ Can other resources and partnership opportunities be leveraged?
- ◆ What might be the emerging trends?

3.8 Analysis and Conclusions

The information collected builds a picture of local housing market drivers and outcomes and helps highlight issues and gaps.

Some findings may include:

- ◆ There is a shortage of new housing relative to demand.
- ◆ There is a limited range of dwelling types (and a mismatch with households).
- ◆ Some special needs groups are inappropriately housed.
- ◆ Housing available for rent or purchase is unaffordable for low and moderate income households.
- ◆ Limited opportunities for redevelopment impede supply of new housing.
- ◆ Redevelopment is not feasible or there is little incentive for development.
- ◆ Existing infrastructure is not adequate to facilitate increased housing density.
- ◆ There are areas of affordable housing but with limited access to services.
- ◆ Environmental constraints limit opportunities for development.

Developing a summary needs/issues matrix to highlight key issues and areas for action can help to navigate a path towards a strategy. This can be done at an area or precinct level to ensure strategies are responsive to varying housing market elements. Consideration can also be given to what data to use to monitor strategies and inform implementation.

A summary dashboard of key performance indicators can be used for reporting progress to stakeholders. This would include house price and rental market data and potentially other data on supply and development drawn from Council and other agency databases.



Sample *KPIs*

Key performance indicators will depend on the specific actions in each council strategy and the timeframe for implementation.

- ◆ Development capacity of areas for additional housing—projected and actual take-up
 - ◆ Number of development approvals which have not commenced construction
 - ◆ Increase/decrease of dwellings by type, number of bedrooms and location
 - ◆ Number of affordable private market rental dwellings—increase/decrease
 - ◆ Affordability of private market housing purchased by owner occupiers—increase/decrease
 - ◆ Number of affordable rental dwellings generally,
- by other agencies/organisations and those created as a result of specific actions in the strategy
- ◆ Number and type of dwellings targetted to special needs
 - ◆ Number of social housing dwellings—net change and number renewed
 - ◆ The proportion of very low, low and moderate income households in housing stress. (This should be compared to the proportions in the population of high, moderate and low income households, and changes in income categories over time)
 - ◆ Changes in diversity of income, age and employment groups.

Module 4: Financial Feasibility Assessment

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4.3 Development Feasibility Models	3
4.4 Key Steps in Assessing Development Feasibility	7
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Module 1

Addressing Housing Needs:
Context, Roles and Issues
Why it's Vital
Defining and Measuring Affordable Housing
Agency Roles and Key Players
Purpose, Key Challenges and Issues
Planning Context

Module 2

Preparing and Implementing a Local
Housing Strategy
Community and Stakeholder Engagement
Developing an Evidence Base
Setting the Scope
Developing Actions and Strategies
Implementation, Monitoring, Review and
Evaluation

Module 3

Building an
Evidence
Base

Module 4 Financial Feasibility Assessment

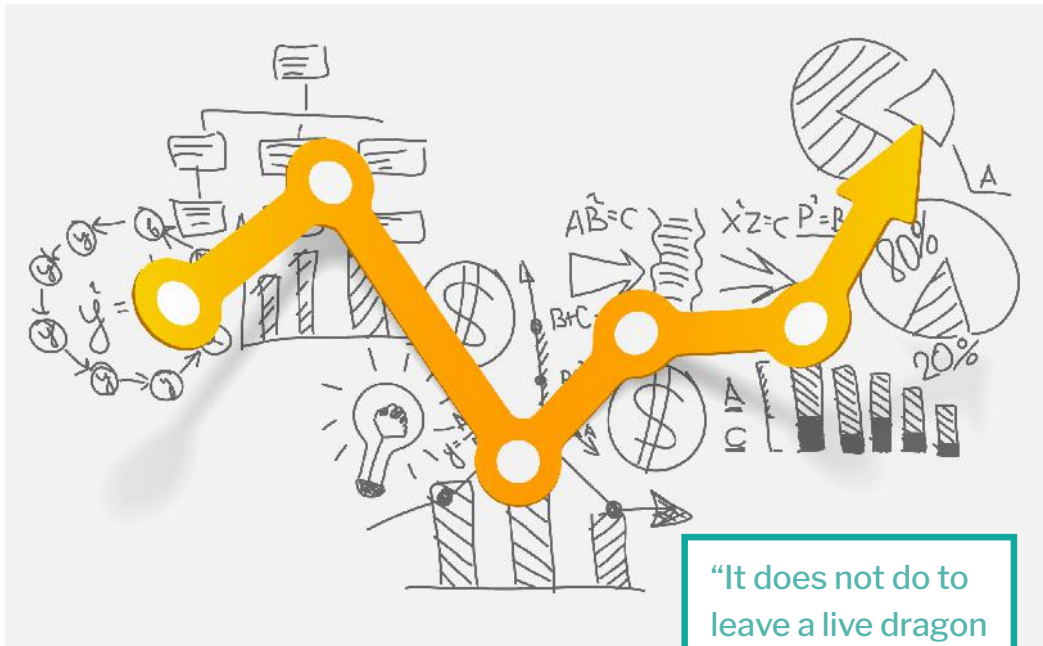
Module 5

Case Studies
and
Resources



Genadi Georiev





“It does not do to leave a live dragon out of your calculations, if you live near him.”
J.R.R. Tolkien, *The Hobbit*

4.1 Outline

This module explains financial feasibility assessment and highlights how it can be used. The aim is to empower council officers and others, and to take some of the mystery out of the process. The module leads readers through the basic formula and what to look for in reviewing outputs and avoiding pitfalls so readers can evaluate and challenge assessments provided by others.

4.2 Why Financial Feasibility Assessment is Important

Evaluating the feasibility of existing and proposed planning controls is important to ensure that the planning framework can produce viable development and does not unnecessarily impede appropriate development.

Feasibility assessment is a vital tool for:

- ◆ Establishing a planning framework that enables the desired form and mix of development
- ◆ Formulating strategies to meet gaps in housing supply
- ◆ Determining whether contributions for affordable housing under the EP&A Act 1979 are viable.

Feasibility assessment can go a step further to ensure that local controls not only enable but encourage desired uses, relative to other forms of development. For example, feasibility assessment can test whether small dwellings are an attractive form of development in a regional centre compared with alternative permissible uses, or whether incentives aimed at encouraging affordable rental housing are sufficient to have any effect.

If planners are not confident undertaking or reviewing feasibility analysis, modelling provided by a development proponent may be accepted too readily and the best outcomes for local communities may not be achieved.

The purpose of urban planning is to guide growth and to provide for development that supports the social and economic wellbeing of communities, creates healthy and liveable places and protects the environment and natural resources. However desired development will not occur if it is not feasible

under the applicable planning controls. Poorly scoped planning controls can cause stagnation and impede growth, prosperity and vitality. If development is not happening at the pace desired or if areas are experiencing stagnation, one reason could be that the area or region is in decline, another may be that it is simply not feasible to develop in forms permissible under the planning controls that apply.

Feasibility modelling can tell councils whether their planning controls support the kinds of development being sought and assist councils to develop planning controls which promote undersupplied forms of housing, by testing the feasibility impact of potential changes to the planning framework.

Feasibility assessment also assists in fine tuning the planning framework to maximise public benefits without impeding development. This may be relevant in determining contribution levels, setting height, floor space ratio (FSR) or other planning standards, identifying permissible land uses, and setting inclusionary zoning and other requirements.

For example, there is no benefit in introducing requirements for shop-top housing if it is not a viable building form or land use in the local area. It could impede the provision of both retail and residential space and stagnate development in areas zoned exclusively for such a use.

Likewise, if section 7.11 contributions or inclusionary zoning requirements are set too high or if height, FSR or other planning standards are too restrictive, desired development may simply not occur, or occur

only very gradually as existing buildings reach the end of their economic life. There is also a risk that a divergence of views between local land owners and the market as to the value of their land following an upzoning will be so considerable as to constrain the sale of land and consequently the pace of development.

Finally and importantly, if councils seek to promote affordable housing, it is not enough that affordable housing development be feasible in a particular area. It must also be attractive relative to other forms of permissible development. If not, affordable housing will only be produced by community housing or government providers.

... it is not enough that affordable housing development be feasible in a particular area. It must also be attractive relative to other forms of permissible development



4.3 Development Feasibility Models

Most feasibility models are built on the following basic formula or some variation of it:

- Revenue** i.e. proceeds of development
- **Costs** of development (plus allowance for risk and unknowns)
- = **Return** on Development

This formula may be rearranged depending on whether it is residual land value, developer’s profit, or viability after allowing for a specified developer’s margin that is being assessed. The same basic components are still used in the assessment. Of course, models vary in complexity but variations are mostly related to fine

tuning of inputs, assumptions and the timing of costs and revenue.

In most feasibility assessment, revenue projections will be based on the anticipated development yield under current or proposed planning controls. In addition to estimated project costs, an allowance for contingencies will be added to cover unknown factors or items which may add to total project costs.

Generally, allowances for contingencies will be greater where less detail is available on a project (for example at an early concept stage) or it is anticipated that the project will not commence for some time. Care should be taken not to allow too much for contingencies as this may unrealistically mask the project’s viability.



4.3.1 Residual Land Value



The most common form of financial model used for assessing the financial feasibility of development proposals is the residual land value model. The anticipated revenue from the completed development is calculated, usually based on projected sale values. The projected costs of the development, other than land, are added together with the required developer's margin (the profit required by a developer expressed as a percentage of total project costs—typically 15%–20% but higher in times of rapid growth in housing prices)

and the combined figure is subtracted from projected revenue to give an estimated value of the undeveloped land, referred to as the **residual land value**. This value represents the amount a developer would be able to pay for a parcel of land based on returns from the development scenario being modelled.

This model allows an assessment of viability and a comparison of options without needing an actual land value.

4.3.2 Development Profit



Where the price paid or the assessed value of the land is known or can be estimated, instead of specifying a required developer's margin as is done when calculating residual land value, the basic model can be configured to predict the developer's profit.

be broadly equivalent to the developer's margin used in residual land value modelling but expressed as a dollar value.

Under this model, once again the anticipated revenue from the completed development is calculated based on projected sale values. The projected costs of the development including land, but excluding developer's margin, are subtracted from the projected revenue to give the estimated profit from development.

If profitability calculated using the formula is less than the threshold sought by a developer, the project will be unlikely to proceed without adjustment. The profit threshold calculated in this way can be expected to



... allowing too much for contingencies may mask a project's viability

4.3.3 Return on Development



An alternative approach, where the price paid or the assessed value of the land is known or can be estimated, is to deduct a developer's profit margin (again typically 15%-20%), together with land and development costs, from total projected revenue, to

provide an anticipated net return on development. If the return is positive, a project will be viable as its projected revenue will exceed costs and the profit margin required by the developer. Any extra return on top of this is a bonus for the developer.

4.3.4 More Complex Models

The simple models outlined above can be improved in accuracy by including information on the timing of sales and costs. These factors affect financing costs and other holding costs such as council rates and insurance.

Where sufficiently detailed design information is available, more precise and detailed estimates can be made of construction costs. Likewise, firms which have undertaken similar development in the past will be able to estimate costs more precisely and in greater detail.

Construction costs are generally not evenly distributed across the development period. They tend to increase gradually in the early stages, before ramping up and then increasingly gradually tapering off in the later stages. In a typical example 60% of construction costs are expected to be expended 50% into the construction period. This pattern when graphed follows an S-curve. A typical S-curve is often used for projecting construction costs. Some other costs such as design fees, site preparation, landscaping and section 7.11 fees generally fall towards the beginning or end of a project.

Modelling may be used to project the cash flows arising from a development project to ensure that sufficient funds are available over the course of development, to fine-tune estimates for project finance or to assess project feasibility more

accurately. **Cash flow modelling** can assist project planning by highlighting where shortfalls may occur so that adjustments can be made, for example by pushing back discretionary items until pre-sales reach a specified target. Of course, many items cannot be postponed without impairing project delivery, and insufficient cash flow can have adverse effects such as increasing holding and finance costs. For this reason, delays in the development approval process are usually a significant concern for developers.

Particularly for long term projects, costs and revenue may be discounted to reflect their value in today's dollars. Using this approach, **escalation rates** can be



... delays in the development approval process have significant cost impacts

Oli Dale

applied to both costs and revenues as they are incurred over the course of the project. Costs and revenues will then be discounted back to the commencement of the project using a specified **discount rate**. However, caution should be used if applying escalation factors, because being speculative they add risk to the modelling outputs. Also, escalation rates may be offset by other factors, for example when sales are largely made before or during construction (referred to as selling “off the plan”) which is commonly the case. If no allowance is made for escalation, then the implicit assumption is that any increases in construction costs are offset by price rises.

A commonly used measure, **net present value (NPV)**, can be calculated by summing discounted cash flows. The NPV for a project is the difference between the discounted revenue stream and the corresponding discounted costs including developer’s profit. If the NPV is positive, a project is considered viable.

The **internal rate of return (IRR)** is the flip-side of the NPV. It is the rate of return at which the NPV is zero. It equates to the minimum discount rate at which a project is viable.

Microsoft Excel and other programs include functions to assist in calculating NPV and IRR.

4.3.5 VPA Calculator

DCJ has developed a VPA Calculator to assist councils and others to make informed judgements about VPAs and how they can be used to promote affordable housing.

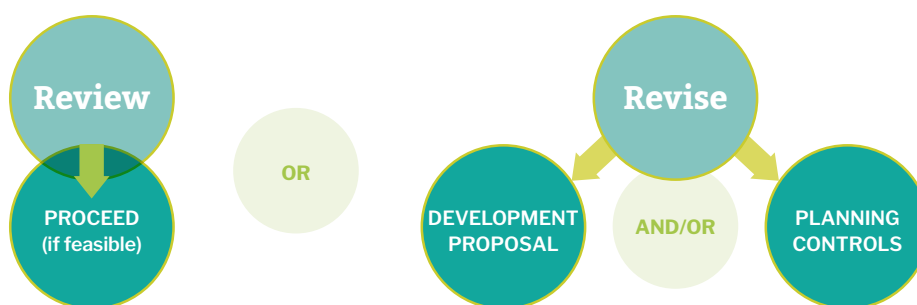
The VPA Calculator is designed to assess the feasibility and potential value of a change in zoning or an uplift in the development potential of a site proposed in a VPA. It can also be used in formulating planning controls to assess the value created by varying the density controls that apply to a site.

Users work through a series of steps to input details of the existing planning framework and the proposed change in zoning or increase in the FSR. The VPA Calculator quantifies the value created by the changes. It then assesses the potential benefits of directing a share of that value towards the provision of affordable housing. This knowledge will help councils to negotiate favourable outcomes for their communities, based on relevant and consistent information.



4.4 Key Steps in Assessing Development Feasibility

1	Determine site yield
2	Estimate future revenue
3	Identify all development costs , timing, other variables
4	Identify required development profit and contingency allowance
5	Calculate based on selected approach



Applying these steps in a simple residual land value model

Step 1	Site potential or yield: Determine the maximum permissible development that can be undertaken on the site under the existing planning framework and/or the nominated alternatives, expressed in terms of land use, the sizes and numbers of units, and building form.
Step 2	Revenue: Estimate revenue based on the site potential, e.g. the number of units by size/type multiplied by the projected sale revenue.
Step 3	Planning, Development and Sale Costs: Identify all planning and development costs excluding land.
Step 4	Profit and contingencies: Add the required developer's margin, e.g. as a percentage of total costs, and an allowance for contingencies. Examine the combined figure to ensure it is realistic and not overestimated.
Step 5	Calculate Residual Land Value: Subtract total costs (excluding land) from total revenue to generate residual land value.
Final	Review by comparing the residual land value assessed with the current land value or market price to determine if a development option is feasible. Alternative options can be compared using the resulting residual land values, with the highest value representing the option which is most attractive.

Step 1

Determine Site Potential

Site potential, or development yield as it is often called, is the number and size of units or the square meterage of floorspace that can be provided on a given parcel of land.

Site potential may be determined with reference to:

- ◆ The existing planning framework
- ◆ Proposed changes to the planning framework
- ◆ Alternative scenarios such as variations to FSRs or height controls or land use mix being considered by Council or being put forward by a proponent under a proposed VPA or rezoning.

Often there will be benefits in comparing a number of different scenarios. When assessing alternative scenarios (such as increased FSR and/or height controls), it is desirable for comparison purposes to use same dwelling size/type configurations. Of course this will not always be possible. Indeed, the purpose of the evaluation may be to assess the relative performance of different types of development.

When determining site potential, bear in mind that:

- ◆ Projections which are based on land area, FSR and number of bedrooms alone will have a lower level of accuracy than if site planning has been fully resolved, because site constraints, environmental factors, setbacks from neighbouring development and a range of other factors may diminish actual yields.
- ◆ For apartments, an allowance of 15%–20% of gross floor area should be included for common areas and circulation.

- ◆ Application of SEPP 65 and the *Apartment Design Guide* may also limit maximum yields permissible under height and FSR controls (refer to <http://bit.ly/2SVGi8x>).
- ◆ There may be a misalignment between height and FSR limits or other controls, such as boundary setbacks, which makes it impossible to achieve the maximum permissible density for example.

Step 2

Estimate Future Revenue

Revenues can be estimated using projections about the value and timing of sales of completed projects e.g. by totalling the unit value by the number and type of units.

For long term or phased projects, the anticipated timing of sales will also be important. Where this is the case, more precise modelling will take into account the expected escalation in sales prices over the relevant period and the proportion of units to be sold before, during and after construction.

Estimating sales values realistically relies on:

- ◆ Knowledge of the market—recent and current prices, current and future supply and demand;
- ◆ Assessment of macroeconomic factors affecting the economic outlook, such as interest rates.

Thus, determining sales values requires both local knowledge and an exercise of judgement, or advice from an expert.

Sometimes developers will provide projections of anticipated sales values to support their case. It is crucial to verify such information if it will have an



impact on how Council treats a proposal. This can be done by referring to information on the local real estate market, such as:

- ◆ Rent and Sales Report published by DCJ (<http://bit.ly/2S8UoUa>)
- ◆ Digital real estate sites
- ◆ Local newspapers
- ◆ Other advertising
- ◆ Discussions with local agents.

If sales figures provided by a development proponent do not align with Council's expectations based on a review of these sources, a typical range identified by Council as applicable can be applied instead.

If feasibility modelling is being used to assist Council in fine tuning its planning framework, for example to test incentives for affordable housing, or to assess a VPA or other planning proposal, it is strongly recommended that Council arrive at its own assessment of likely revenue. Independent databases or expert advice should be used to inform such estimates and they will need to be reviewed regularly in response to changing conditions.

Step 3

Assess Planning, Development and Sale Costs

This step involves:

- Identifying all planning, design, approval and development costs
- Determining the timing of those costs
- Adopting values for other variables and assumptions that affect total costs.

There can be a great many different costs involved in a development project and a range of variables which affect those costs. It is important not to place undue emphasis on separately identifying and projecting all detailed costs. It is more important that the overall estimates are reasonable and based on good sources.

The level of resolution of a proposal will affect how precisely these costs can be estimated. At an early or a theoretical stage estimates of typical costs will usually be all that is available.

For some more standard forms of development such as a two or three bedroom detached house, a per dwelling rate can be used for feasibility assessment. However, in order to estimate costs for most development, information will be needed on costs per square metre or per unit. To determine these, information will be required on:

- ◆ General location (which affects construction costs)
- ◆ Any significant known site constraints and issues
- ◆ Proposed use e.g. the breakup of commercial, residential etc.
- ◆ Building form, number of stories and inclusion of lift access
- ◆ Quality of finishes
- ◆ Gross floor area
- ◆ Ratio of floor area of units to circulation and common areas
- ◆ Additional facilities and common areas
- ◆ Vehicular access and parking—the style and number of spaces per unit
- ◆ Provision of balconies—size and number
- ◆ Landscaped area.

With this information, the following cost items can be estimated using a construction cost guide, industry and market knowledge, and reference to government fees and charges:

- ◆ Land acquisition costs including stamp duty and legal costs
- ◆ Professional fees—planning, engineering, architectural, landscape architecture
- ◆ Project management costs
- ◆ Development application and construction certificate fees
- ◆ Holding costs including council rates and insurance
- ◆ Finance costs for land acquisition and construction
- ◆ Site preparation costs including demolition, excavation and decontamination

- ◆ Vehicular access and car parking
- ◆ Building construction
- ◆ Landscaping
- ◆ Section 7.11 and other contributions
- ◆ Marketing and selling costs.

Where a specific site has been identified, information on its configuration, grade, current improvements and subsoil conditions may be available to inform estimates of site preparation costs and required construction techniques. Similarly, where a specific proposal has been worked up, more precise information on floor areas, landscaping and parking is usually available.

Whether rough or detailed information is available, per square metre rates will usually be the basis for assessing construction costs. Standard rates are available through construction cost guides such as Ryder Bucknall Levett *Riders Digest* (<http://bit.ly/2UToRqN>) and *Rawlinsons Australian Construction Handbook* (<http://bit.ly/2UQ4quV>). These rates are the starting point. While guides such as Rawlinsons include very detailed costs for specific items, this level of detail is not generally required to assess the feasibility of planning controls or the impact of developer contributions towards affordable housing or other public benefits.

Costs of various kinds other than construction costs are commonly computed as percentages of total construction costs. This is frequently the case for professional fees, project management, and marketing and selling costs for example.

Likewise, finance costs are usually linked to both land acquisition and total development costs, after allowing for revenue from sales. Different finance cost rates may apply for land acquisition and for construction, to reflect the level of risk to the financier.

As discussed, more sophisticated models may include allowances for expected escalation in cost and sales revenues.

The following sample gives an outline of typical inputs.

Residential Feasibility Model: Sample Development Specifications

Form of development	E.g. Units – 5 storey with lift					
Accessible dwellings		% of units				
Size of individual units (internal area)		bedsit	1 bed	2 bed	3 bed	etc
	Standard	m ²	m ²	m ²	m ²	m ²
	Accessible	m ²	m ²	m ²	m ²	m ²
Number of units		bedsit	1 bed	2 bed	3 bed	Total
	Standard					
	Accessible					
	Total					
Balconies		m ² /balcony: 1-2 bed units				
		m ² /balcony: 3-4 bed units				
Efficiency Rate		%				
Gross up factor		%				
Total built area		m ²				
Standard of finishes	Medium					
Facilities and special requirements						
Specify	Common room	m ²				
		\$ or m ²				
		\$ or m ²				
Landscaping, outdoor facilities and storage						
Specify		\$ or m ²				
		\$ or m ²				
		\$ or m ²				
Car parking						
Spaces per dwelling		spaces				
Location & type	Underground	select				
Wheel chair accessible		% of units				
Projected Sales Revenue			bedsit	1 bed	2 bed	3 bed
Including GST	Standard	\$	\$	\$	\$	\$
	Accessible	\$	\$	\$	\$	\$
Car space		\$	\$			

Residential Feasibility Model: Typical Input and Assumption Fields

PROJECT DURATION		
Development application preparation & approval		months
Construction period		months
LAND ACQUISITION COSTS		
Site area		m ²
Land acquisition cost		\$ or \$/m ²
Acquisition costs		% of land purchase price
Stamp duty		% of land purchase price
DEVELOPMENT COSTS		
Construction \$/m ²		
Balconies \$/m ²		
Landscaping \$/m ²		
Parking per space		\$/space
On-grade - uncovered		\$/space
On-grade - car port		\$/space
On-grade - garage		\$/space
Underground		\$/m ²
Vehicular access		\$/m ²
Demolition & site preparation		\$/m ²
Decontamination		\$
Site works		\$/m ²
Environmentally Sustainable Development works		\$/m ²
Professional fees		
Design		% of construction cost
Planning		% of construction cost
Engineering		% of construction cost
Other		% of construction cost
Development Application / Construction Certificate fees		% of construction cost
Project management		% of construction, marketing & fees
HOLDING COSTS		
Interest rate		%
Council rates		% of land value
Insurance		% or \$
Loan establishment costs		\$ or %
COST OF SALES		
Marketing		% of cost or value
Selling costs including legal costs		% of sales price
DEVELOPMENT CONTRIBUTIONS		\$ or %
CONTINGENCIES		% of all costs
DEVELOPMENT MARGIN		% of all costs
GST - effective rate		%



Add Required Profit and Allowance for Contingencies

This step involves applying a suitable rate for the profit margin sought by the developer and an appropriate allowance for contingencies to cover unforeseeable impacts on project costs such as delays, shortages of required materials or labour and extraordinary price fluctuations.

Required development profit is usually expressed as a percentage of total project costs. Generally developers seek a 15%–20% margin on total costs. It is relevant to note that the rate of profit they realise on invested funds will be considerably higher (upwards of 60%), as funds invested in a project are usually only a small portion of total costs.

Conservative analysis will frequently adopt a 20% developer’s margin. See “Making Apartments Affordable” (Sharam, Bryant and Alves, 2015). It is prudent to assess the allowance for contingencies alongside the required developer’s margin. If a high developer’s margin is required in combination with a plentiful allowance for contingencies, viable projects may too readily be ruled out. The appropriate contingency allowance will depend on how advanced a project is. The usual rule is that the less resolved and certain or more distant a project is, the greater the allowance should be.

A combined allowance of 25% of total costs for developer’s margin and contingencies is generally a satisfactory starting point. Care is important in arriving at rates for these items as they have a significant impact on the apparent viability of a project.



Calculate Residual Land Value

$$\begin{aligned} &\text{Projected revenue} \\ &\text{minus costs (excluding land)} \\ &\text{minus contingencies} \\ &\text{minus developer's profit} \\ &= \text{Residual Land Value} \end{aligned}$$

Once revenue and all costs are projected, the calculation of residual land value is simply a mathematical exercise based on the formula above, i.e. residual land value is assessed by deducting all costs, together with an allowance for contingencies and developer’s margin, from the projected revenue.

The residual land value represents the amount that a developer would be prepared to pay for the undeveloped land. The resulting value calculated in this way can be compared with market rates and/or used to guide a purchaser in determining how much to pay for a site.

If the residual land value calculated using this method is starkly less than prevailing market prices, it is generally because the development proposal assessed is not considered the most profitable use of the land. In other words, alternative development options are likely to achieve greater revenue relative to the costs of development. On the other hand, where a residual land value is significantly higher than prevailing market rates it is usually because the market has not factored in the development option being assessed, for example because it is not currently permissible.

It is sound practice to undertake some **sensitivity testing** as well, where key factors such as the required developer’s margin or financing costs are varied independently to assess their impact on feasibility.

REVIEW

What to beware of:

- ◆ Assumptions that are off the mark
- ◆ Rapid changes in market conditions
- ◆ Values that are too conservative or generous
- ◆ Calculation errors

When reviewing the results, it is important not only to look at the financial outputs of the modelling process but to scrutinise all the inputs and variables carefully. For those who are not familiar with the local market or with interpreting financial modelling, it is good practice to verify the inputs independently and/or to compare variables with accepted industry benchmarks. Whether or not expert advice is sought, always apply the common sense test. If something does not look right, explore it further or seek advice. Also, don't overlook your local knowledge—the modellers may not be as well informed as you are about local circumstances.

Small changes in values can have cumulative effects with a significant impact on the final results. This is especially the case in development modelling as many of the costs are set relative to one another e.g. as a percentage of construction costs or total costs. If values are set a little too conservatively throughout, a potentially profitable project may appear from modelling not to be feasible.

If a developer is arguing that planning requirements or specified contributions cannot be met because his or her modelling shows the project is not be feasible, it is very helpful if Council is equipped to undertake its own assessment, rather than to accept this information from a proponent.



It is better still if Council has already undertaken feasibility assessment as part of the process of developing its planning framework. If feasibility assessment is undertaken alongside the formulation of planning controls, councils will have a greater degree of confidence that the planning frameworks they adopt are capable of enabling and guiding development that is compatible with the objectives of the Council and the community.

Where feasibility is close to break even point, the appetite for development will be more subdued and the rate of development is likely to be slower than where ample return can be expected. This will especially be the case where the existing use of the site is still profitable or where the site potential is not sufficiently greater than its current use so that redevelopment will not generate sufficiently greater return to justify the costs of demolition and construction and project risk.

It is not enough that development or redevelopment of a standard site is feasible in its own right. Desired development forms need to be viable relative to other permissible purposes. Viewed in isolation, a particular proposal may be found to be feasible but it is unlikely to proceed if it may be less profitable than alternative uses. This is particularly relevant if Council is seeking to encourage particular uses such as affordable housing. Such uses must not only be feasible, they must be attractive to a developer compared with other permissible uses, unless of course the developer is a non-profit organisation with a mandate to provide benefits such as affordable housing. Even then, the level of viability will influence the selection of where a project will be undertaken and indeed whether it is undertaken at all.

... don't overlook your local knowledge—the modellers may not be as well informed as you about local circumstances

4.5

key considerations

- ◆ Small changes to variables can have a cumulative effect. Selection of overly conservative variables can render a profitable project unfeasible on paper.
- ◆ Planning controls which deliver a satisfactory developer's margin on paper may not be sufficient to stimulate new development.
- ◆ A common pitfall is to assess feasibility on the basis that the land is vacant, and not to take into account the opportunity costs associated with the current development or the costs of demolition.
- ◆ For instance, if a site is occupied by townhouses but zoned to allow three storey units, redevelopment may be slow to occur. Unless the townhouses are nearing the end of their economic life, the potential of financial rewards may not be sufficient incentive to demolish the townhouses and build units.
- ◆ Planning controls have a greater chance of enabling desired outcomes if feasibility assessment is undertaken alongside the development of the planning framework. This also avoids the need for Council to negotiate with developers about project feasibility on a case by case basis.



Module 5: Case Studies and Resources

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Module 1

Addressing Housing Needs:
Context, Roles and Issues

- Why it's Vital
- Defining and Measuring Affordable Housing
- Agency Roles and Key Players
- Purpose, Key Challenges and Issues
- Planning Context

Module 2

Preparing and Implementing a Local
Housing Strategy

- Community and Stakeholder Engagement
- Developing an Evidence Base
- Setting the Scope
- Developing Actions and Strategies
- Implementation, Monitoring, Review and Evaluation

Module 3

Building an
Evidence
Base

Module 4

Financial
Feasibility
Assessment

Module 5

Case Studies
and
Resources

5.1 Outline

This module draws together resources to build understanding of the concepts discussed in the Kit and helps inform housing responses by providing examples of housing initiatives being pursued in various jurisdictions and information on relevant State and National housing programs.

It comprises:

- ◆ Some of the pitfalls and traps in commissioning housing studies and strategies;
- ◆ Case studies of housing initiatives undertaken in New South Wales and elsewhere, focusing particularly on local approaches;
- ◆ Summaries of further examples with links to detailed information;
- ◆ Summaries of relevant state and national government housing programs and initiatives;
- ◆ An outline of the NSW Planning Context for Local Housing Strategies;
- ◆ A glossary of terms used in the Kit.

A data dictionary defining terminology relevant to the statistical analysis covered in Module 3 is provided as an appendix.

5.2 Considerations for Study Briefs

Councils often choose to engage consultancy firms to help develop their local housing strategy. This will typically involve preparing a project brief to engage a consultant, reviewing proposals (including methodologies) to determine which firm will be engaged, providing feedback to consultants during the engagement and reviewing draft reports and the final strategy.

All modules in the Kit can help with these tasks. The questions set out below are provided to alert users of the Kit to some of the factors to consider and problems that can occur so they can be taken into account when strategies are scoped and proposals are reviewed.

Community and Stakeholder Engagement

- ◆ Has the form of engagement been appropriate for different stakeholders? *Workshops and meetings may be effective for some groups but not others so a broader range of approaches may be needed.*
- ◆ Have any stakeholder views been submerged or hidden? *Don't just talk to the people who want to talk to you.*
- ◆ Has the engagement provided sufficient opportunities for stakeholders to understand and discuss divergent views? *Bringing together these groups builds understanding of different perspectives and may help to generate new solutions that are mutually acceptable.*
- ◆ Have stakeholders been given sufficient time to review the evidence base so that it is well understood and agreed? *People need to understand and agree to the goals the strategy is seeking to address.*
- ◆ Have elected councillors be given sufficient time to understand and have input to the strategy at key stages? *If councillors do not understand or have confidence in the strategy they are unlikely to endorse it or support specific actions being implemented at a later stage.*

Evidence Base

- ◆ Does the analysis interpret what is happening in the housing market? Is data presented and analysed in a way that draws out issues and unmet needs and identifies gaps in supply? *Be cautious of analysis that provides lots of tabulated data without sufficiently explaining the story it tells. Equally listings of unsatisfied needs that are not accompanied by indications of the housing response needed to meet those needs, are difficult to translate into effective strategies.*
- ◆ Does the evidence base enable you to understand how housing demand and supply issues might vary across the LGA? *Sometimes data may only be presented at an LGA level. In some larger LGAs there will be significant differences within the LGA that will influence the responses required.*
- ◆ Is it clear how the demand for and supply of housing is influenced by the broader region or housing market? *Some LGAs may border larger*

or high-growth areas which has flow-on impacts that need to be accounted for when analysing data.

- ◆ Does the breakdown of data capture all housing needs or are some needs hidden? *Could more detailed cross-tabulations or alternative data sources such as information held by local community housing providers and other organisations illuminate issues and factors?*
- ◆ How up to date is the data and what qualifications might be needed when drawing conclusions? *For example a small proportion of households in stress may not be an indication that housing is affordable but that lower-income households have been forced out of the area because of a lack of affordably priced housing.*

Opportunities and Constraints

- ◆ How can changes to planning controls required to deliver the form and amount of housing needed be optimised? *While not the only response to housing issues, changes to planning controls are usually key actions. As they often take time to put in place (through Local Environmental Plan amendments) additional testing or review to ensure they will deliver the outcomes sought may be needed.*
- ◆ What investment decisions (both public and private) are planned and what impact will they have? *Where known the impacts of these decisions, for example, large infrastructure projects can be built into the strategy, however they may not always be known. Building in capacity (such as through periodic reviews) to respond to changes will make the strategy more resilient.*
- ◆ What other policies or plans (other than land use planning) could help deliver better housing outcomes, for example open space strategy, economic development initiatives. *The lack of sufficient open space is often identified as an issue when planning for additional housing so innovative responses to open space (including designing into developments and multi-use facilities) may also be required.*
- ◆ How can the plans and resources of other housing agencies and organisations support your housing objectives? *Other jurisdictions often run grant programs or initiatives which councils can access to help build infrastructure that supports housing. Organisations such as community housing providers may have funds to build housing for specific needs groups.*

Actions and Strategies

- ◆ Are the actions and strategies proposed feasible and viable for the local area? *This can include planning controls to achieve housing diversity but which are not economically viable, or relying on the expansion of social and affordable housing through state and national governments without clear commitments or proposals.*
- ◆ Does the strategy also consider links between housing, community services and infrastructure? *Councils provision of additional childcare places can be linked to supporting housing affordability for key workers (by supporting their ability to work and meet rent or mortgage payments).*
- ◆ Is there internal alignment between individual strategies and actions? *Sometimes one action or strategy may undermine another, for example new development to promote housing diversity which replaces existing low cost housing.*
- ◆ Are there particular winners or losers from the strategy? *Outcomes can have different impacts across generations, income groups, household types and tenure groups.*

Implementation, Monitoring and Evaluation

- ◆ Are the risks to successful implementation of the strategy clear and is there a strategy to mitigate them? *Risk management protects the considerable effort and resources invested by both the local community and council in the development of the strategy.*
- ◆ Are there other changes or policies that council should advocate for to support the strategy? *This could include changes to State Environmental Planning Policies that have impacts on housing or programs that provide funding or resources for housing such as social housing initiatives or reforms to the way housing is taxed.*
- ◆ How will stakeholders be informed of progress against the strategy? *Keeping stakeholders informed helps maintain commitment and support and to manage change.*
- ◆ How will the success of the strategy be measured and defined? *Strategies need to be agile. Quantifying the impact provides evidence that the strategy is relevant or highlight areas where changes are required.*

5.3 Index of Case Studies and Examples

Case Study/ Example	No.	Approach	Focus
ACT Government: Land Rent Scheme	C.S.1	Land rented on favourable terms for new housing	Reducing the cost of entering home ownership and all ongoing mortgage repayments
AnglicareSA: Turning Point Program	C.S.2	Partnership with mutual bank, Beyond Bank Australia, to provide furniture packages	Short term accommodation for single-parent families with young children
Berlin, Germany	E.1	Collaborative design	Design – reducing cost of production Housing co-operatives
Build to Rent	E.2	Facilitation and partnerships	Supporting institutional investment in rental housing
BuyAssist	C.S.3	Shared financing home ownership – investor funding recouped on a pro rata basis	Low to moderate income households unable to access home purchase
Byron Shire	E.3	Facilitation	Sale of Council land to CHPs
Canada Bay	C.S.4	Planning mechanisms – voluntary planning agreements	Achieving social inclusion by expanding provision for key worker housing
Central Coast (Gosford)	E.4	Planning – Retention of affordable housing	Protection of caravan parks and manufactured home estates
Clarence Valley	C.S.5	Planning mechanisms – Affordable housing requirements implemented by VPAs	Encourage housing diversity and inclusive communities
Cockburn, W.A.	E.5	Facilitation – Housing diversity	Requirements and incentives
Darebin, Victoria	E.6	Facilitation – Retention of low cost private rental	Rooming houses
Denver, Colorado – Highlands Garden Village	C.S.6	Compact, sustainable mixed use urban renewal	Sustainable, inclusive community well-connected to jobs and services
Design Council, UK	E.7	Good, sustainable design	Better housing
Hobart City, Tasmania	E.8	Corporate planning	Inclusive communities
Hobsons Bay, Victoria	E.9	Establishing evidence base	Background to Housing Strategy
Home Care Heroes, Australia	E.10	Community care	Supporting residents in existing housing
Homes for Homes	C.S.7	Voluntary mechanism for community contributions when selling a home	Affordable housing delivered through CHPs

Case Study/ Example	No.	Approach	Focus
Inner West: Planning Provisions	E.11	Incentives (density bonus) and housing mix requirements	Encouraging new and diverse affordable housing
Inner West: Targets	E.12	Planning – Targets and Inclusionary Zoning	Affordable housing needs
Kingston, Victoria	E.13	Comprehensive policy	Encouraging affordable housing through a range of facilitation
Meanwhile Use Housing	E.14	Pop-up housing	Temporary use of underutilised land and buildings
Melbourne, Victoria	E.15	Policy settings, design, development bonuses	Housing needs across the community
New York City	C.S.8	Planning mechanisms – voluntary and mandatory Inclusionary zoning	Inclusive communities
Oran Park	E.16	State and local government collaboration/infrastructure	Coordination of infrastructure and housing
Parramatta City	C.S.9	Policy development and Planning mechanisms	Address housing stress and promote economic development and sustainable, vital communities
Penrith City	E.17	Planning mechanisms – voluntary planning agreements	Contributions to additional affordable housing
Port Macquarie – Hastings	E.18	Social impact assessment	Potential impact on existing affordable housing stock and displacement of residents
Port Phillip, Victoria: Strategy	C.S.10	Comprehensive strategy including facilitation, partnerships and planning agreements	Affordable housing, social diversity and a coordinated response to homelessness
Port Phillip, Victoria: Parking	E.19	Planning – reducing cost of production (parking)	Affordable housing tenants with low car ownership
Port Phillip, Victoria: Facilitation	E.20	Community engagement; Research and policy development	Community concern about affordable housing
Port Stephens	E.21	Social impact assessment	Impacts of Council activities and development proposals
PossAbilities, United Kingdom	E.22	Facilitation – Homes share scheme	Householders receiving support in return for offering accommodation at reduced/no charge
Randwick City	C.S.11	Planning mechanisms – to gain access to SEPP 70	Utilisation of planning mechanisms available under the EP&A Act to address affordable housing needs

Case Study/ Example	No.	Approach	Focus
Shoalhaven Council	C.S.12	Affordable Housing Strategy; Facilitation and advocacy	Encouraging affordable housing supply
South Australia	E.23	Planning mechanisms – mandatory inclusionary zoning	Increasing housing for low to moderate income households
City of Sydney: City West	C.S.13	Planning mechanisms – mandatory inclusionary zoning	Inclusive communities Reduce social dislocation as a result of urban renewal and public investment in infrastructure
City of Sydney: Sustainable Sydney 2030	C.S.14	Targets for housing supply, facilitation and planning requirements	Housing opportunities for lower income households, including key workers
Tasmanian Government: Hopkins Street Affordable Housing	C.S.15	Subsidised environmentally sustainable affordable housing design and development	Reducing environmental impact and financial stress through sustainable housing design
Tiny Homes Foundation/ Central Coast Council	E.24	Planning/development standards Facilitation – Land	Tiny homes with common amenity spaces to address homelessness
Waverley	C.S.16	Planning mechanisms – voluntary planning agreements combined with density incentive	Social diversity including low to moderate income households, older people and people with disability on low income
Westminster City	C.S.17	Intermediate housing in accessible locations	Moderate income households unable to access private rental or home purchase
Willoughby City	C.S.18	Planning mechanisms – mandatory inclusionary zoning	Diverse residential and working population representative of all income groups



5.4 Case Studies

C.S. 1 ACT GOVERNMENT: LAND RENT SCHEME

Approach/ Mechanism	Provision of land for rental instead of purchase to build a home
Context	Metropolitan or regional
Objectives	To increase affordable home ownership by minimising entry costs and mortgage repayments (essentially, removing the significant costs of purchasing land), and enabling households to save for future land purchase while paying rent.
Strategies	<p>New blocks of land released by the ACT Suburban Land Agency can be leased for 2% per annum of the unimproved value of the land. Annual rent increases are capped by wages growth. The lessee is given two years to construct a home. Lessees have the option of eventually purchasing the land, although the Scheme is not a rent-to-buy scheme.</p> <p>Eligibility requirements include not exceeding the gross household income threshold; not owning any other property in Australia; and that at least one of the lessees reside in the property. Lessees are required to demonstrate ongoing eligibility. Participants who no longer meet eligibility requirements will have to transition out of the Scheme within two years, by purchasing the land, or transferring the lease to another eligible applicant.</p>
Implementation Framework	Only identified or selected blocks of land are available under the scheme. Participants attend a training session at Canberra Institute of Technology prior to entering the scheme.
Outcomes	<p>An independent review found in 2012 that the Scheme offered “an innovative purchase option that is suited to an array of buyers including first home buyers, moderate income households, builders seeking to reduce their costs (and hence sale prices) and, potentially, older households trading down to release equity. It is a flexible, open market product that can be converted to conventional house/land purchase or on-sold at any time without additional fees. Financial analysis indicates that the scheme significantly reduces the cost of entering homeownership.” (Epic dot com 2012)</p> <p>Initially, the Land Rent Scheme was available at a standard rate of 4% of unimproved land value as well as a discounted rate of 2%. As of October 2013, only the discounted rate of 2% is available on new land releases and is offered to low to moderate income households that meet eligibility requirements. Since 2010 the discounted rate has also been available to CHPs that can provide land rent lots and other assistance to eligible households.</p> <p>By 2012, approximately 1,200 blocks had been exchanged or settled through the Land Rent Scheme. In four years to June 2016, approximately 430 households per annum participated in the scheme.</p>
Success Factors/ Limitations	<p>The first of its kind in Australia, the ACT’s Land Rent Scheme was slow to gain momentum after its introduction in 2008 due to unfamiliarity of financial institutions (lenders) and the general public (purchasers) with the scheme, as well as the global economic downturn. Early support from one mutual bank was essential to the successful launch. Participation has gained momentum. Reviews resulted in a number of administrative changes.</p> <p>The success of the scheme relies on the availability of suitable government owned land.</p>
Further information	<p>http://bit.ly/2Qhetuw http://bit.ly/2zLKeS7</p>



C.S.1 ACT GOVERNMENT: LAND RENT SCHEME Module 5 – 7

C.S. 2 ANGLICARESA: TURNING POINT PROGRAM **ANGLICARESA**

Approach/ Mechanism	Partnership with a mutual bank, Beyond Bank Australia
Context	Metropolitan and potentially statewide
Objectives	To provide individualised support for single parent families affected by domestic violence and help them to move on to a secure future.
Strategies	<p>AnglicareSA's Turning Point program provides stable short term accommodation for homeless single parent families with young children.</p> <p>A Turning Point family receives:</p> <ul style="list-style-type: none"> • A fully furnished home for three months • Financial education and counselling • A pathway to finding a job • Support in locating a new home. <p>Over the three months of stable accommodation provided under the program, families are connected to support programs and assisted in finding more permanent housing options.</p>
Implementation Framework	<p>AnglicareSA, a Tier 1 Housing Provider under the National Regulatory System, provides the emergency housing, as well as case management and support services to aid in the transition to stable, long term housing.</p> <p>AnglicareSA relies on a range of donations and funding sources. Beyond Bank Australia has provided three years of funding for furniture packages, providing families with necessities including beds, tables, desks and whitegoods. When families leave emergency housing, they can take the furniture packages to give them a start as they rebuild their lives.</p> <p>Beyond Bank customers can also apply bonus interest earned on their Community Reward Accounts to support AnglicareSA (and other community organisations) and bank staff have the opportunity to volunteer with AnglicareSA, and other community organisations.</p> <p>In the belief that stronger communities benefit all, Beyond Bank has embraced an approach to creating "shared value" where it works with community organisations to achieve environmentally and socially sustainable outcomes. These organisations in turn become partners.</p>
Outcomes	From December 2016 to August 2017, Turning Point provided crisis housing for ten single parent families, comprising 11 adults and 20 children. Over 85% of participants went on to secure long term housing.
Success Factors/ Limitations	The success of this partnership lies in the ability to raise awareness and attract corporate support. Councils, with their close connections within the local community, can encourage and publicise these kinds of initiatives and help bring parties together.
Further information	<p>http://bit.ly/2ARFj1K</p> <p>https://www.beyondbank.com.au/your-community/support/housing-affordability/anglicare-sa.html</p>



C.S. 3 BUYASSIST



**Approach/
Mechanism**

Shared financing home ownership program

Context

Metropolitan and regional, predominantly in Victoria

Objectives

To support low to moderate income earners who would otherwise be excluded from the housing market to purchase a home by helping to meet the deposit gap and reducing mortgage servicing costs.

Strategies

BuyAssist supports the purchase of approved properties by eligible households by providing funds towards the deposit, typically 25%. This alleviates some of the need for lower income households to amass a deposit and reduces the servicing costs of a mortgage. The balance of the purchase price may be funded with a traditional home loan from a bank that understands the BuyAssist program.

The program is similar to shared equity schemes but investors do not hold title to the property. The home purchaser is the sole legal owner of the property and is responsible for all the regular costs of home ownership.

BuyAssist investors have an equitable interest in a property's future value and hold a second mortgage securing this interest. In exchange for the support, the BuyAssist investors are entitled to a share of the property's future value equivalent to the share of the initial contribution. For example, an investor who provided 25% of the property's purchase price will receive 25% of the property's agreed value when the property is sold or the agreement terminated. So investors share in the capital gain (or loss) from the property on a pro rata basis.

Investors can contribute by providing funds or land as part of a development.

The program provides finance and real estate professionals to advise home buyers.

**Implementation
Framework**

BuyAssist is a subsidiary of the National Affordable Housing Consortium which aims to facilitate affordable housing as a socially responsible enterprise.

A website allows households to register interest and view available properties. If a household is eligible, BuyAssist will determine the funds available for a deposit on a property from the BuyAssist approved list. The program is linked to a panel of eligible lenders. The program regularly adds properties for sale through its real estate site (buyassistrealestate.com.au).

Outcomes

The BuyAssist Program has facilitated home ownership for singles, couples and families in metropolitan and regional areas.

**Success Factors/
Limitations**

Despite approved BuyAssist properties being partially subsidised by investors, home buyers must still meet bank loan repayments and have good credit history. Purchases are responsible for all standard costs of home ownership and home maintenance. The financial responsibility related to home ownership may exclude some low to medium income earners.

BuyAssist provides valuable advice to those unfamiliar with the housing market and facilitates partnerships between financial institutions and first home buyers. Saving for a deposit whilst meeting rental payments is a key factor in declining home ownership. By assisting with funds for deposits, the program offers a "leg up" for first home buyers.

**Further
information**

<http://bit.ly/2UmiL1Q>

C.S. 4 CANADA BAY COUNCIL: AFFORDABLE HOUSING POLICY

Approach/ Mechanism	Voluntary Planning Agreement
Context	Inner metropolitan
Objectives	<ul style="list-style-type: none"> ♦ To maintain diversity, to ensure a socially, economically and environmentally vibrant and healthy community; ♦ To promote affordable housing provision by private, government and non-government sectors, as well as the production of diverse housing types and sizes; ♦ To improve affordable housing policy at all levels of government.
Strategies	<p>Prior to inclusion in SEPP 70 affordable housing has been negotiated on a case-by-case basis through VPAs with developers.</p> <p>Council was included in SEPP 70 in April 2018 and proposes to collect future contributions for affordable housing through inclusionary zoning. Council's target is for all urban renewal sites to deliver 5% affordable housing.</p> <p>A draft Affordable Housing Program for East Rhodes seeks to deliver on the 5% affordable rental housing target, for key workers within the priority precinct. The scheme is supported by an Evidence Report for the precinct prepared to assist in calculating and justifying the affordable housing contribution rates and the delivery mechanisms available to Council and developers.</p>
Implementation Framework	<p>Affordable housing provided through VPAs would be retained in Council's ownership and managed under a contract with by a CHP, Bridge Housing.</p> <p>After allowing for housing renewal and maintenance of housing and other Council community service facilities, remaining surplus revenue in the housing reserve are applied for acquisition of additional housing.</p>
Outcomes	27 affordable housing units had been delivered through VPAs by August 2018. Now that Council has been included in SEPP 70, VPAs are not expected to be the primary source of affordable housing going forward.
Success Factors/ Limitations	Affordable housing development has benefitted from supportive councillors and executives and good working relationships between Community Services and Planning Departments.
Further information	<p>http://bit.ly/2QBKWei http://bit.ly/2PICuek</p> <p>* "Facilitating Affordable Housing Through Planning Mechanisms: Part 1: Review of Planning Approaches & Measures" Report by Urbanista for the NSW Federation of Housing Associations and Parramatta City Council, 2016 https://bit.ly/2svDwLS</p>



bridge 
housing linking people
to a better future

C.S. 5 CLARENCE VALLEY COUNCIL: VOLUNTARY APPROACH

Approach/ Mechanism	Voluntary Planning Agreements. Provision of land and facilitation of partnerships with a community housing provider to develop affordable housing.
Context	Non-metropolitan
Objectives	To develop affordable housing requirements which are supplemented by Voluntary Planning Agreements to provide affordable smaller units and land lots.
Strategies	<p>A two limbed approach:</p> <p>Affordable housing requirements for an equivalent of one in ten lots and dwellings to be affordable;</p> <p>VPAs for the provision of affordable housing.</p> <p>The policy identifies what is meant by affordable housing, specifying modest unit sizes and smaller land lot sizes than current development, that if provided at the specified rate are deemed to comply. Council provides land and facilitates partnerships with a community housing provider to develop affordable housing.</p>
Implementation Framework	Council owns one dwelling which is managed by a CHP. The other 13 are owned and managed by a CHP.*
Outcomes	By April 2016, Council had supported the delivery of 14 targetted affordable housing dwellings on three sites, brokering partnerships with Housing NSW and a CHP, Community Housing Limited, to leverage resources and secure grant funding.* Provision of affordable housing through VPAs has been sought, but resulting housing has been limited.
Success Factors/ Limitations	<p>Affordable housing development has benefitted from:</p> <ul style="list-style-type: none"> • Evidence-based research and a comprehensive set of policies and strategies; • A funded dedicated housing officer position as a resource to build understanding, broker partnerships and identify opportunities; • Strong local stakeholder relationships and good partnerships with local CHPs and other non-government providers; • Strong regional alliances through the Northern Rivers Council for Social Development and the Northern Region Organisation of Councils; • The initial provision of council and Housing NSW land; • Captured federal and state funding, and • The provision of diverse and affordable housing types for purchase through implementation of affordable housing requirements on greenfield sites. <p>Progress has been limited by the slow rate of development in regional areas with low land values and market demand, the loss of funding for a dedicated housing officer, limited council land and competition for the use of council resources. It does not appear the VPAs framework has been strong enough to deliver the outcomes sought.</p>
Further information	<p>http://bit.ly/2FZnPX5</p> <p>* “Facilitating Affordable Housing Through Planning Mechanisms: Part 1: Review of Planning Approaches & Measures” Report by Urbanista for the NSW Federation of Housing Associations and Parramatta City Council, 2016 https://bit.ly/2svDwLS</p>



C.S. 5 | CLARENCE VALLEY COUNCIL: VOLUNTARY APPROACH | Module 5 — 13

C.S. 6 DENVER, COLORADO – HIGHLANDS GARDEN VILLAGE

Approach/ Mechanism	Mixed use development
Context	Metropolitan
Objectives	<ul style="list-style-type: none"> ♦ To demonstrate successful re-use of small, vacated urban sites, revitalising deteriorating urban arterials and spurring economic development in surrounding communities; ♦ To utilise green building techniques; ♦ To provide a model for socially responsible mixed use, mixed income development, that includes quality affordable housing; ♦ To provide a healthy community in which people of all ages and from all socio-economic groups benefit from a sense of community. <p>The Highlands Garden Village is designed as a compact, environmentally responsible integrated infill development of underutilised sites, planned in consultation with the adjoining community.</p> <p>The development incorporates Smart Growth principles including sustainability, transit oriented design and compact, mixed use development (see https://bit.ly/2e3t13Z).</p>
Strategies	<p>As a mixed use precinct of over 11 hectares, Highlands Garden Village combines land uses, providing access to housing, employment, services, retail and recreation in one place. Highlands Garden Village provides a number of housing types, promoting socio-economic integration.</p> <p>The development offers a range of rental and for sale housing choices (including detached dwellings, apartments and senior living) catering to a mix of incomes and family structures, along with commercial space and amenities giving residents good access to jobs and services. Pedestrian activity is encouraged through the design of walkways and roadways.</p> <p>Throughout the development process, emphasis was placed on providing permeable pedestrian environments and preserving open space and public amenities.</p>
Implementation Framework	<p>The Denver Urban Renewal Authority partnered with private developers to construct the village.</p> <p>Over two years of negotiation, the site was rezoned to facilitate mixed use development. The team negotiated modified planning controls to allow narrower streets, smaller lots and a wider variety of home choices.</p> <p>Senior and affordable housing was encouraged through density bonuses.</p>
Outcomes	<p>The development, completed between 2002 and 2007, has received numerous awards related to design, sustainability and transport, “increased socio-economic integration and yielding a realistic balance of housing types for the balance of nearby jobs”.</p>
Success Factors/ Limitations	<p>Challenges included the need to renegotiate zonings to allow mixed land uses, responding to community concerns and securing funding for the development.</p> <p>Strong driving principles, early and continuing community engagement and an effective development partnership were factors in success.</p>
Further information	<p>http://bit.ly/2RCpcMu https://bit.ly/2RA7zNp https://bit.ly/2zLJnAT</p>

C.S. 7 HOMES FOR HOMES

Approach/ Mechanism	Voluntary mechanism for gathering community contributions towards affordable housing upon the sale of property assets by participants
Context	All areas
Objectives	To involve property owners in addressing housing needs by contributing a very small portion of the return on the sale of their properties towards the provision of additional affordable housing to be supplied through CHPs.
Strategies	<p>This recent initiative generates funding for affordable housing through donations by participants who have elected to make a tax deductible donation to the program upon the sale of their property. A standard donation is set at the equivalent of 0.1% of the property's sale price and forms part of the settlement disbursements process.</p> <p>When sufficient donations have been raised in a state or territory, registered organisations will be invited to submit funding applications for projects that increase the supply of affordable housing in that state or territory.</p>
Implementation Framework	<p>For the wholesale residential market, developers can register units with Homes for Homes before selling to homeowners or other property stakeholders. The offer to donate to Homes for Homes is registered on the title of a participating property by way of a simple legal mechanism. This mechanism acts as a reminder for the donation to be made at settlement. Homes for Homes can apply to residential and commercial properties.</p> <p>The property remains registered with Homes for Homes indefinitely encouraging all future property owners to make a donation when they sell their property. The property owner can choose to withdraw their property from Homes for Homes at any time.</p> <p>The Homes for Homes Board is responsible for authorising funding allocations to affordable housing providers. To make funding decisions, the Board leverages the knowledge and expertise of an industry-based Investment Advisory Group and state-specific Housing Advisory Groups.</p>
Outcomes	Homes for Homes opened its first funding round in early 2018. By August 2018, the initial funding round had generated \$300,000 for use in Victoria and \$200,000 for the ACT.
Success Factors/ Limitations	<p>Homes for Homes offers a way for the community to contribute to addressing housing needs and has been supported by a range of stakeholders. The federal and three state governments, together with a number of philanthropic organisations, have committed seed funding to its establishment.</p> <p>The scheme provides a vehicle by which developers and builders can generate contributions to affordable housing.</p> <p>Local councils could play a key role in raising awareness of the initiative amongst local developers by promoting council support for the program.</p>
Further information	https://bit.ly/1RgSIBt





C.S. 8 NEW YORK CITY: INCLUSIONARY ZONING



**Approach/
Mechanism**

Voluntary Inclusionary Housing with density bonus; tax rebates and incentives; Mandatory Inclusionary Housing

Context

Inner city—high density, high housing costs

Objectives

To maintain and deliver new affordable housing supply.

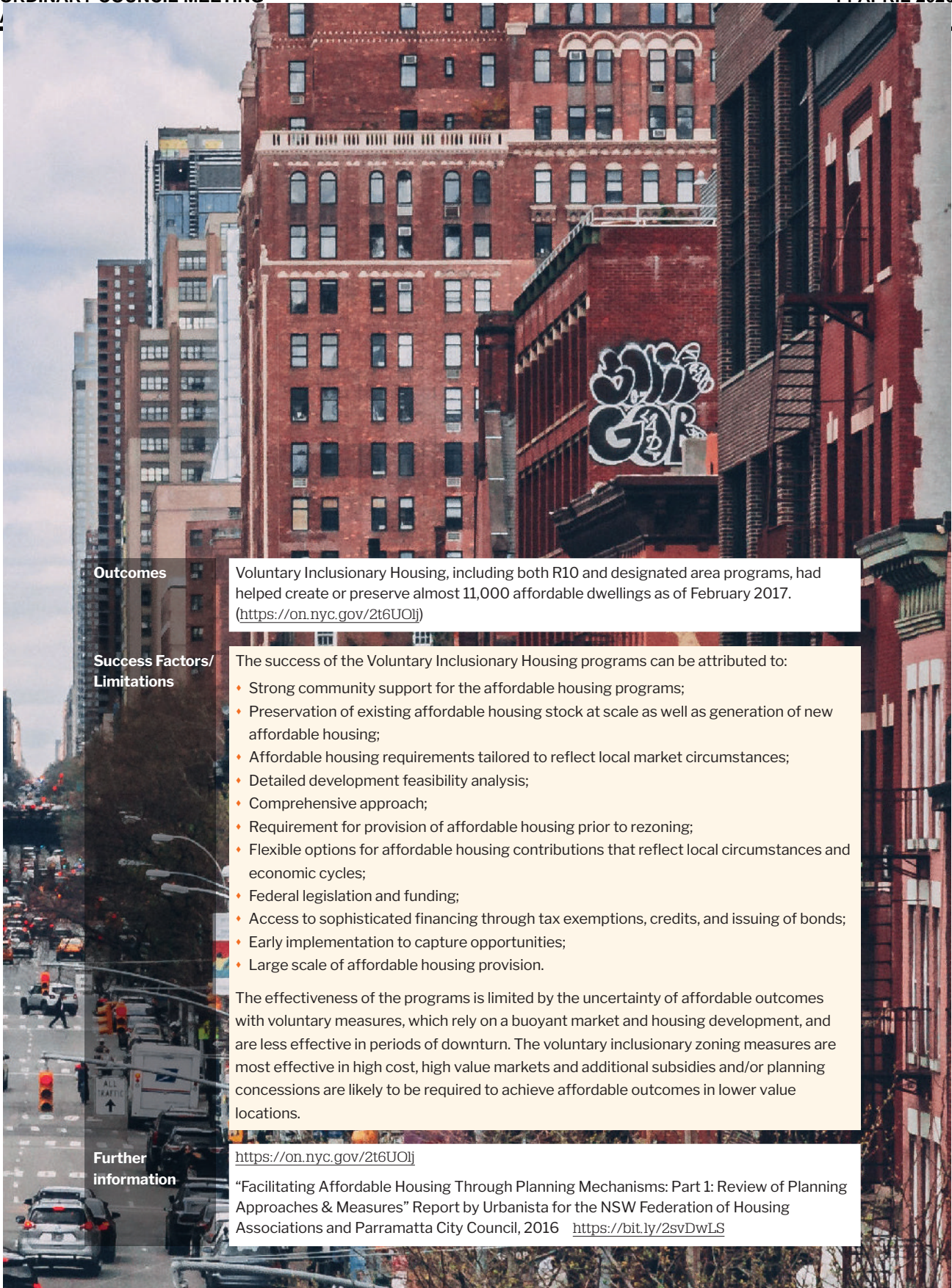
Strategies

There are two principal strategies:

- Voluntary Inclusionary Housing, operating since 1987, that provides for density bonuses in exchange for the creation or preservation of affordable housing for low and moderate income households. Density bonuses and subsidies (tax credits, exemptions, access to lower cost financing) may be made available depending on the location (land value and permissible density), percentage of units dedicated for affordable housing (20%–30%) and their affordability to eligible low to middle income households.
- Mandatory Inclusionary Housing, operating since 2016, that ensures permanent affordable housing is created or preserved during rezonings or residential developments above a certain threshold. Proposed as part of Housing New York: A Five-Borough, Ten Year Plan (2014) which aimed to preserve or create 200,000 affordable dwellings over the following decade. Approximately 40% or 80,000 new dwellings were anticipated from new development under the scheme. Mandatory Inclusionary Housing will be applied to neighbourhood rezonings and private applications that significantly increase residential capacity.

**Implementation
Framework**

Under the Voluntary Inclusionary Housing programs, delivery partners include the not-for-profit and private sectors and state and federal governments which provide housing subsidies. The Department of Housing Preservation and Development, in addition to the City Planning Department, improves the availability, affordability and quality of housing in New York City. The Department of Housing Preservation and Development collaborates with the New York City Housing Authority, provider of public housing, to rehabilitate its stock and to construct low and moderate income housing on vacant Authority property. Asset ownership and management is a mix of not-for-profit and private entities, but each development must have permanent affordable housing.



Outcomes

Voluntary Inclusionary Housing, including both R10 and designated area programs, had helped create or preserve almost 11,000 affordable dwellings as of February 2017. (<https://on.nyc.gov/2t6UOij>)

**Success Factors/
Limitations**

The success of the Voluntary Inclusionary Housing programs can be attributed to:

- Strong community support for the affordable housing programs;
- Preservation of existing affordable housing stock at scale as well as generation of new affordable housing;
- Affordable housing requirements tailored to reflect local market circumstances;
- Detailed development feasibility analysis;
- Comprehensive approach;
- Requirement for provision of affordable housing prior to rezoning;
- Flexible options for affordable housing contributions that reflect local circumstances and economic cycles;
- Federal legislation and funding;
- Access to sophisticated financing through tax exemptions, credits, and issuing of bonds;
- Early implementation to capture opportunities;
- Large scale of affordable housing provision.

The effectiveness of the programs is limited by the uncertainty of affordable outcomes with voluntary measures, which rely on a buoyant market and housing development, and are less effective in periods of downturn. The voluntary inclusionary zoning measures are most effective in high cost, high value markets and additional subsidies and/or planning concessions are likely to be required to achieve affordable outcomes in lower value locations.

Further information

<https://on.nyc.gov/2t6UOij>

“Facilitating Affordable Housing Through Planning Mechanisms: Part 1: Review of Planning Approaches & Measures” Report by Urbanista for the NSW Federation of Housing Associations and Parramatta City Council, 2016 <https://bit.ly/2svDwLS>

C.S. 9 PARRAMATTA CITY COUNCIL: POLICY INITIATIVES

Approach/ Mechanism	Voluntary Planning Agreements. Mandatory Inclusionary Zoning – SEPP 70. Advocacy. Direct provision of council land
Context	Metropolitan area—large-scale growth, urban renewal
Objectives	To reduce housing stress and support creation of vibrant neighbourhoods, social sustainability, economic development, diversity and social mix.
Strategies	<p>Under its Draft Affordable Housing Policy (2017) Council will utilise VPAs in the shorter term, moving to SEPP 70 in the longer term. 10% of gross floor area of uplift value is proposed to be allocated to affordable housing.</p> <p>Council’s draft policy also includes:</p> <ul style="list-style-type: none"> ♦ An advocacy role for Council targetting state and federal tax reform and increased provision of social housing; ♦ Development of council owned land for affordable housing; ♦ Exploring developer owned affordable housing models.
Implementation Framework	<ul style="list-style-type: none"> ♦ Affordable housing ownership is to be transferred to CHPs ♦ Affordable housing must be proportionate to dwelling sizes in the overall development; ♦ Affordable housing dwellings will be subject to the same design requirements and controls as other dwellings; ♦ Eligibility for affordable housing is to be based on a shortlist agreed by Council of applicants who demonstrate a connection with the City of Parramatta; ♦ Provision of affordable housing is monitored and reported on annually.
Outcomes	<p>Council’s target is 9,500 affordable housing rental dwellings by 2036.</p> <p>Council has seven affordable housing dwellings generated through VPAs under previous Affordable Housing Policy 2009.</p>
Success Factors Limitations	<p>Long term executive level interest in responding to housing issues.</p> <p>Targetted background studies have positioned Council to respond.</p> <p>Considerable opportunities for densification make use of planning mechanisms more viable.</p>
Further information	https://bit.ly/2NehmLy

C.S. 10 PORT PHILLIP COUNCIL: AFFORDABLE HOUSING STRATEGY

Approach/ Mechanism	<p>Contributions of land and/or cash for the development of community housing on council land</p> <p>Facilitation of social (public and community) housing</p> <p>Dedicated housing officer/other support for housing projects</p> <p>Partnerships/joint ventures with private sector, state government and community housing providers, and philanthropic foundations and ethical investors</p> <p>Planning agreements</p>
Context	Inner metropolitan Melbourne
Objectives	<p><i>In Our Backyard – Growing Affordable Housing in Port Phillip 2015–2025</i> includes objectives to:</p> <ul style="list-style-type: none"> ♦ Expand the supply, distribution and type of social (public and community) housing available for current and future residents; ♦ Facilitate diverse partnerships to deliver social and affordable housing; ♦ Promote a range of housing models, mechanisms, approaches and projects that address the housing needs of low to moderate income residents and contribute to social diversity. <p>The objectives of Council’s homelessness strategy, <i>Think and Act – Homelessness Action Strategy 2015-2020</i> include to:</p> <ul style="list-style-type: none"> ♦ Promote a co-ordinated response to the needs of people experiencing homelessness, including the relocation of residents of private rooming houses being closed; ♦ Provide a direct outreach service to help older persons and persons experiencing homelessness find affordable secure housing; ♦ Manage nomination rights for Port Phillip residents in 437 units in five public housing estates that were developed in the 1960s/70s with council contributions.
Strategies	<ul style="list-style-type: none"> ♦ Contribution of council land and money; ♦ Ensuring community housing is delivered as a component of development on divested council land; ♦ Facilitation of public housing renewal and redevelopment; ♦ Facilitation of HousingFirst to leverage Port Phillip Housing Trust assets; ♦ Application of affordable housing planning mechanisms; ♦ Facilitation of the delivery of affordable housing by other organisations; ♦ Fostering innovative housing models to achieve a broader spectrum and diversity of housing. <p>Council provides land/air space (and supporting funds) for the development of community housing by community housing organisations on council land.</p> <p>After being a direct developer of community housing between 1985 and 2006, Council established the Port Phillip Housing Trust (PPHT) and transferred the ownership of its housing properties and the role of developer to HousingFirst as Trustee of the PPHT.</p> <p>Housing projects were largely funded through joint ventures with the Victorian Department of Health and Human Services (DHHS) and debt finance leveraged by HousingFirst under the PPHT. Partnerships with private developers have also been undertaken by Council.</p> <p>Council and the DHHS are committed to a formal partnership that will facilitate redevelopment of some public housing estates to increase their yield, diversity and housing quality.</p> <p>Council is investigating mechanisms to increase private-sector take-up of VPAs. It is implementing a 6% affordable housing target in Fishermans Bend Urban Renewal Area, combined with floor space incentives for inclusion of community housing at a rate of one for every 8 private dwellings.</p>

C.S. 10 PORT PHILLIP COUNCIL ...cont

Strategiescont Council further facilitates affordable housing through:

- ♦ Providing housing needs information
- ♦ Property identification
- ♦ Providing assistance in the statutory planning process
- ♦ Providing support for funding applications with the DHHS
- ♦ Brokering philanthropic and ethical investor support
- ♦ Research to identify and establish new housing models.

Implementation Framework Council supports affordable and accessible housing through:

- ♦ Direct contributions of land and cash
- ♦ Leadership, advocacy and research
- ♦ Project facilitation
- ♦ Negotiated planning agreements
- ♦ Information, referral and outreach relocation assistance to older persons and persons experiencing or at risk of homelessness.

Council contributed \$4m (\$400,000 annually) from 2006 to 2014/15 along with \$2.45m in land contribution to the PPHT and has committed up to 5,000m² of land/air space (valued at \$25 million in 2016) and \$5 million (\$500,000 annually) in cash for the delivery of community/affordable housing under partnership between 2015/16 and 2024/25.

Outcomes The partnership between Council and HousingFirst has delivered 568 units of community housing since 1985. The *In Our Backyard* strategy sets a target of 920 affordable and social housing units by 2025 including 170 units on Council land.

Completed initiatives include three air space development projects over Council car parks and community facilities using a model pioneered by Council.

Success Factors/ Limitations Successful partnerships between state government, a community housing organisation and private developers.

The long term focus on affordable and community housing allowed for a well evidenced policy framework which enabled the commitment of Council resources. It was promoted by supportive senior management and council commitment over a sustained period through recurrent capital contributions, land contributions, staffing resources, and research.

A dedicated housing officer provided consistency and retained corporate knowledge.

The transfer of assets to HousingFirst has enabled it to leverage debt finance.

The release of the Victorian Government's *Homes for Victorians* policy (March 2017) provided a comprehensive set of funding programs aligned with the strategy.

Inability under Victorian legislation to provide for mandatory contributions of affordable housing under planning mechanisms limits a broad-based solution to housing need.

Further information

<https://bit.ly/2KYPXIt> <http://bit.ly/2rCSkrL>

"Facilitating Affordable Housing through Planning Mechanisms: Part 1: Review of Planning Approaches and Measures", report by Urbanista for the NSW Federation of Housing Associations and Parramatta City Council, 2016 <https://bit.ly/2svDwLS>



C.S. 10 PORT PHILLIP COUNCIL: AFFORDABLE HOUSING STRATEGY Module 5 – 21

C.S. 11 RANDWICK CITY COUNCIL: KENSINGTON AND KINGSFORD TOWN CENTRE AFFORDABLE HOUSING PLAN

Approach/ Mechanism	Mandatory Inclusionary Zoning (SEPP 70)
Context	Inner metropolitan—growth, urban renewal
Objectives	<ul style="list-style-type: none"> • To identify the need for affordable housing which will be increased by renewal and redevelopment; • To recognise affordable housing as infrastructure necessary to support a socially diverse community and the economic functions of Randwick LGA (in particular the Randwick Education and Health Strategic Centre); • Ensure there are opportunities for very low to moderate income households who work in Randwick City to live in Randwick City.
Strategies	<p>Council's inclusion in SEPP 70 in April 2018 enables it to implement the Plan. Inclusion in SEPP 70 was supported by:</p> <ul style="list-style-type: none"> • Completing a planning review of the Kensington and Kingsford town centres; • Establishing new building heights and development controls; • Identifying the need for and benefits of affordable housing; • Developing an affordable housing contributions scheme; • Demonstrating the viability of an affordable housing contribution by undertaking financial feasibility assessment.
Implementation Framework	<p>Contributions levied in two stages are planned:</p> <ul style="list-style-type: none"> • A contribution rate of 3% of total floor space for development applications lodged prior to June 2019; • A contribution rate of 5% of total floor space to development applications lodged from July 2019 onwards. <p>Contributions may be through construction and dedication of the required affordable housing dwellings.</p> <p>Council proposes to retain ownership and contract property tenancy management to a CHP.</p>
Outcomes	<p>More than 200 affordable dwellings can potentially be delivered under the Plan.</p> <p>Council has generated 20 affordable dwellings—16 owned by Council—and a further 8 affordable units (four owned by Council) have been developed on a Council-owned parcel of land as part of a joint venture with Community Housing Limited—generated through VPAs under its Affordable Rental Housing Program (2007).</p>
Success Factors/ Limitations	<p>Factors supporting development of the Plan include:</p> <ul style="list-style-type: none"> • Increasing media coverage and interest in housing affordability; • Support from the local state member and councillors; • Recognition of affordable housing as an issue in the state government's Draft Eastern City District Plan; • Recognition of affordable housing in the Randwick Collaboration Area Place Strategy.
Further information	https://bit.ly/2hCQ2mj



C.S. 11 RANDWICK CITY COUNCIL: SEPP 70 DRAFT KENSINGTON AND KINGSFORD TOWN CENTRE Module 5 – 23

C.S. 12 SHOALHAVEN COUNCIL: AFFORDABLE HOUSING STRATEGY

Approach/ Mechanism	Affordable housing projects on Council land. Shared equity model. Advocacy. Removing planning impediments to affordable housing, facilitation through planning incentives
Context	Regional coastal—growth, tourism pressures
Objectives	To facilitate additional affordable housing across the Shoalhaven LGA.
Strategies	<p>The Strategy comprises 28 strategies. They include:</p> <ul style="list-style-type: none"> ♦ Using council and other public authority land to develop affordable housing in partnership with CHPs; ♦ Development of a shared equity model in conjunction with a community housing provider; ♦ Developing a VPA policy to facilitate affordable housing; ♦ Reviewing and adjusting council planning controls to facilitate an increase in supply of smaller dwellings; ♦ Developing guidelines to encourage a greater proportion of permanent sites in caravan parks; and ♦ Advocating for inclusion of Shoalhaven in the Affordable Rental Housing SEPP and SEPP 70.
Implementation Framework	<p>The Strategy comprises short term (within three years), medium term (three to five years) and long term (five to ten years) components.</p> <p>Council will work with CHPs, other levels of government and the private sector.</p>
Outcomes	<p>One short term strategy is the development of Council land for affordable housing. A 2400m² Council owned site near Bomaderry railway station has been identified for a mixed tenure affordable housing project in partnership with a registered CHP.</p> <p>An innovative “co design” workshop was held with stakeholders and a concept design produced for the site comprising 18 boarding house rooms, six one bedroom units, 12 two bedroom units, one commercial tenancy and 25% undercroft parking.</p>
Success Factors/ Limitations	<p>Lessons learnt to date:</p> <ul style="list-style-type: none"> ♦ Find local champions; ♦ Research the problem; ♦ Explain what affordable housing is; ♦ Create partnerships and work with others; ♦ Provide practical examples of the issue; ♦ Identify what might work locally, not what is in vogue.
Further information	https://bit.ly/2SPMZJD



C.S. 13 CITY OF SYDNEY: CITY WEST

Approach/ Mechanism	Mandatory Inclusionary Zoning. State and Commonwealth government contributions. Development funds collected by Council transferred to City West Housing Company to build and manage affordable housing.
Context	Inner metropolitan—urban renewal, gentrification
Objectives	To ensure ongoing opportunities for very low, low and moderate income households to live in the City West area. Applicants were originally required to have links to the Ultimo Pyrmont area but the scheme has since expanded to include households living or working in the City of Sydney
Strategies	<p>Under this unique tripartite arrangement, the Commonwealth provided subsidies through the Building Better Cities Program, the state government contributed a portion of proceeds from the sale of state government land and the private sector contributed under an inclusionary zoning scheme.</p> <p>City West Housing Company was established to develop and manage the new housing stock independently of government. The company also manages housing elsewhere in the City of Sydney.</p> <p>Council has approved the expansion of the schemes across the Council area, subject to state government approval.</p>



Module 5 – 26 C.S.13 CITY OF SYDNEY: CITY WEST

Implementation Framework	<p>The assets are owned and managed by the City West Housing Company.</p> <p>Tenants pay rent based on a sliding scale which reflects their capacity to pay (25% to 30% of income).</p>
Outcomes	<p>In 2018 City West owned and managed 685 affordable housing units. 405 of these are in Ultimo and Pyrmont, with the balance in Green Square and North Eveleigh. Further developments are underway or planned in Glebe, Alexandria and Waterloo. It is anticipated that the expanded levy scheme will deliver up to 1900 affordable housing dwellings.</p>
Success Factors/ Limitations	<p>The success of the program can be attributed to the fact that it was developed and introduced at the time of rezoning when significant uplift was occurring. It benefitted from a large injection of upfront capital, strong funding streams, a special purpose housing company with development capacity and tenancy management functions, in-house development capability and good relationships between Council and the CHP.</p> <p>Failure to take up opportunities to purchase vacant land early on in City West, combined with constraints on using debt financing may have limited the overall housing yield. The preference for provision of monetary contributions at Green Square along with the pattern of land holding in very large parcels made procuring sites for affordable housing difficult. The boundary in which funds could be spent was extended to help address this problem.</p>
Further information	<p>https://bit.ly/2UfOuSu</p> <p>“Facilitating Affordable Housing Through Planning Mechanisms: Part 1: Review of Planning Approaches & Measures” report by Urbanista for the NSW Federation of Housing Associations and Parramatta City Council, 2016 https://bit.ly/2svDwLS</p>





C.S. 14 CITY OF SYDNEY: SUSTAINABLE SYDNEY 2030

**Approach/
Mechanism**

Targets. Mandatory Inclusionary Zoning. Voluntary Planning Agreements. Sale of council land at subsidised rates to community housing providers.

Context

Inner metropolitan—increasingly unaffordable

Objectives

To have 7.5% of all housing in the LGA as dedicated affordable housing, along with 7.5% social housing, by 2030. The overall aim is to enable key workers to live close to employment.

Strategies

Mandatory Inclusionary Zoning for affordable housing applies to three areas where new floor space is created, or rezoning creates a new residential development. The developer is required to make contributions in the form of finished affordable housing or as an equivalent monetary contribution.

Council is able to negotiate VPAs with developers on major projects to secure contributions towards affordable housing.

Land owned by Council, whether surplus to need, underutilised, or acquired through developer contribution schemes (including VPAs) is sold to CHPs at a discounted rate under an agreement that the land be used to develop affordable housing.

**Implementation
Framework**

Under the Mandatory Inclusionary Zoning schemes, developer contributions are applied once a proposed development reaches a certain threshold. On-site contributions are calculated as a percentage of the development's total floor area, while monetary contributions follow a schedule of applicable rates, indexed annually, for each area where the levy operates (see C.S. 13 above).

VPAs may be accompanied by implementation agreements to address matters concerning the works undertaken, access to land during development and the terms of land transfer upon completion.

In subsidised land sales, an agreement between Council and the CHP stipulates the requirements for the development of affordable housing on the land.



Outcomes

**Success Factors/
Limitations**

**Further
information**

As of 2017 750 affordable units have been delivered through Mandatory Inclusionary Zoning, and Council expects a further 800 affordable dwellings to be delivered by 2030.

VPAs have been used by Council to negotiate the supply of affordable dwellings on site, monetary contributions and contributions of land. For example, a negotiated agreement between Council and a developer at the Harold Park urban renewal project resulted in 80 affordable units and Council was able to secure a portion of land as well.

Land sales at Green Square include sales to City West Housing in 2017 for 200 affordable units, and in 2018 to St George Community Housing which will deliver an additional 80 affordable homes. These sales combined represent a \$5 million discount on market value. Council has also sold land in Redfern to St George Community Housing in order to develop 130-150 social and affordable housing units. Land at Harold Park, secured by Council through a planning agreement, was sold at a discounted rate to City West Housing in order to provide a further 76 affordable dwellings.

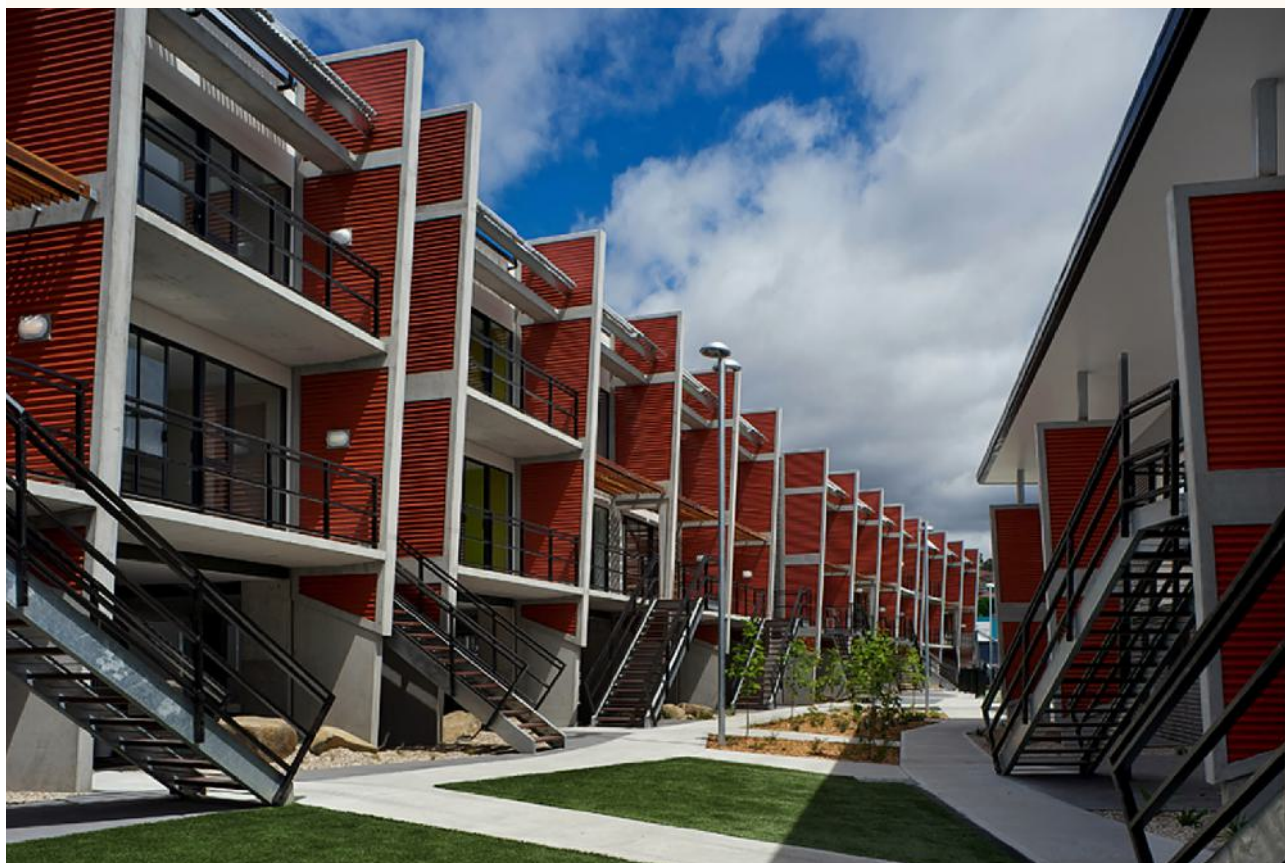
The supply of affordable housing has been limited by restrictions on the application of Council's mechanisms. Council has suggested that up to 3,600 additional affordable homes could be built by 2030 if its affordable housing levy is extended to all land within the LGA. This and other amendments to its affordable housing framework were on public exhibition in 2018.

<http://bit.ly/2rAKleS>
<http://bit.ly/2PHKLti>

C.S. 15 TASMANIAN GOVERNMENT: HOPKINS STREET AFFORDABLE HOUSING



Approach/ Mechanism	Environmentally sustainable design and development for affordable living.
Context	Metropolitan
Objectives	To deliver “a model of energy efficient housing that reduces the strain on our environment and the financial stress on household income, through significantly reduced energy bills for occupants” (see https://bit.ly/2QyKfTc).
Strategies	<p>The 30 one and two bedroom units are occupied by tenants drawn from the public housing list, providing high quality housing to those with limited housing choice. The project has been recognised as a case study of excellence in “design innovation” by Monash University research. Rent is set at 25% of income plus Commonwealth Rent Assistance.</p> <p>Design maximises natural daylight, cross flow ventilation and visual amenity. The development utilises solar hot water, photovoltaic electricity panels, insulation and underground rainwater tanks to reduce the cost of living and environmental strain. A playground, communal gardens, landscaped courtyard, clotheslines and a reused goods exchange contribute to a socially enriched housing community.</p>



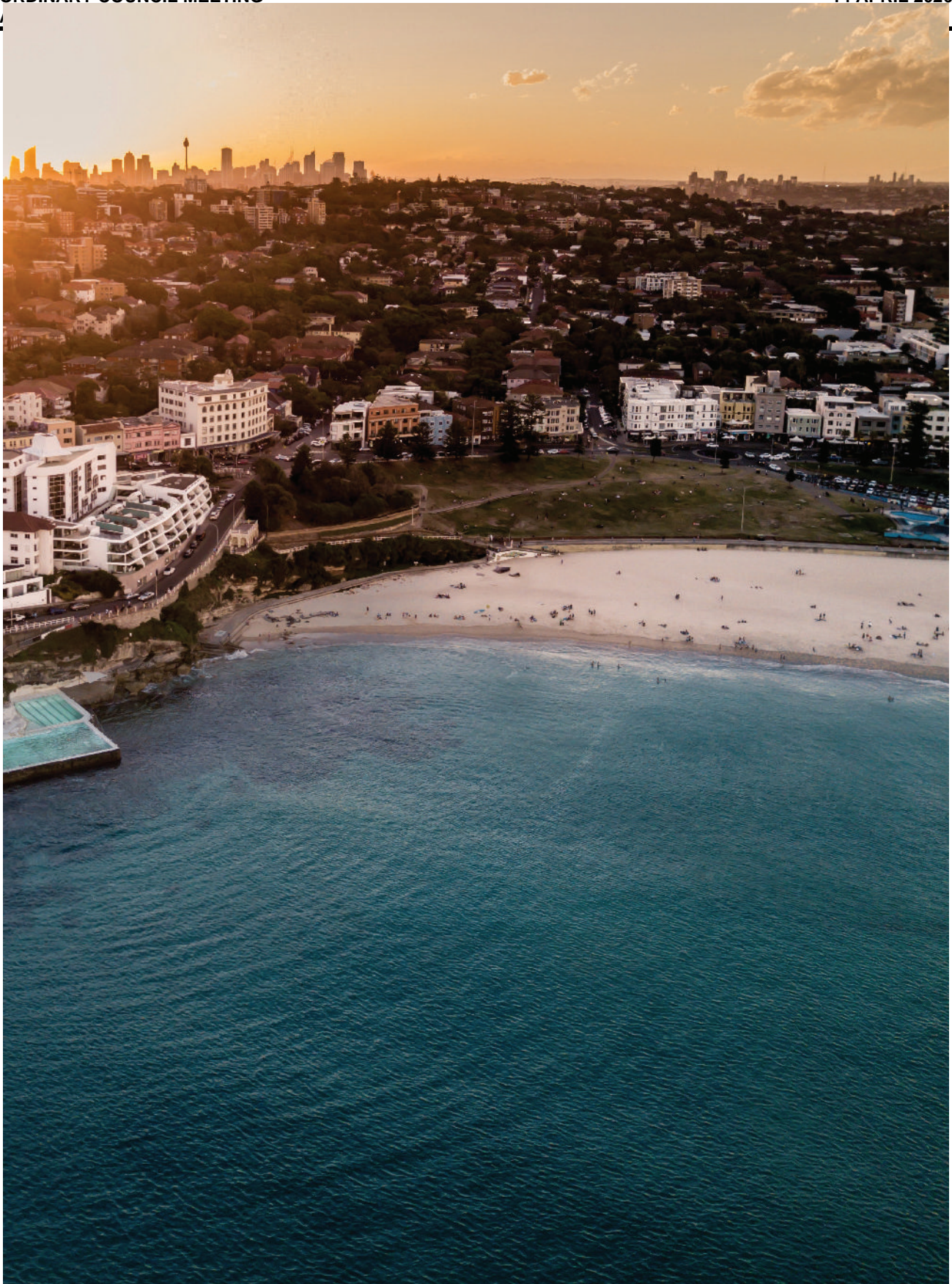
Module 5 – 30 C.S.15 TASMANIAN GOVERNMENT: HOPKINS STREET AFFORDABLE HOUSING

Implementation Framework	The development was funded by the Tasmanian Government, including funds from Nation Building funding and the Social Housing National Partnership.
Outcomes	<p>Hopkins Street Affordable Housing Development achieved a Five Star Green Star Multi Unit Residential Design rating. The development is recognised by Monash University as one of Australia’s most innovative social housing projects.</p> <p>“The biggest achievement has been the sense of community achieved,” according to the project’s associate architect, Alex Newman, “with flourishing community gardens, a popular children’s playground, Hopkins Street is a safe place that people call home.”</p>
Success Factors/ Limitations	<p>Hopkins Street is recognised for redefining the quality, environmental sustainability, social sustainability, livability, performance and ambitions of social and affordable housing in Australia. The development upholds high design standards whilst providing appropriate amenity for community housing.</p> <p>Whilst the project was highly cost effective in its development and subsequent running costs, funding may impose limitations on future projects.</p>
Further information	<p>https://bit.ly/2QyKfTc https://bit.ly/2QAYeaR</p>



C.S. 16 WAVERLEY COUNCIL: AFFORDABLE AND SOCIAL HOUSING PROGRAMS

Approach/ Mechanism	Voluntary Planning Agreements combined with up to 15% floor space ratio incentive facilitated property acquisition between 1996 and 2012. Since 2012 Voluntary Planning Agreements have provided ongoing contributions to the program. Partnerships.
Context	Inner metropolitan—gentrification, loss of affordable rental housing
Objectives	To maintain diversity, especially low to moderate income earners, older people and people with a disability who have very low income.
Strategies	The Affordable Housing Program was implemented between 1996 and 2012 through VPAs with a planning incentive of up to 15% in permissible floor space with the value uplift shared between the developer and Council for affordable housing. Contributions could be made by transferring completed dwellings to Council as affordable housing in perpetuity, providing dwellings for a set lease term to be managed by Council's CHP, or monetary contribution. Since 2012, VPAs have continued to secure 10% of all contributions towards affordable housing. Social Housing Program: Partnerships with Housing NSW.
Implementation Framework	Units are managed by a CHP. Social Housing Program assets are owned by Council or in partnership with Housing NSW. 21 of the 43 Affordable Housing Program units are council owned with the remaining 22 leased to the program for a specified term.
Outcomes	Over 15 years the provisions have achieved 43 units of affordable housing. 21 are held in perpetuity and 22 have been leased to the program for various periods. All are in private strata blocks.
Success Factors/ Limitations	The programs have benefitted from the consistent support of the councillors and senior management over 30 years ensuring long term goals were achieved. The strong partnership between the community services team and planning teams within Council has facilitated sharing of expertise. Success was limited by the high labour intensity of the case by case work and the lack of significant state and federal planning reform required to provide clear direction to enable local councils to implement further affordable housing. Clear objectives and targetting identified the needs of target groups. The long time frame has allowed pursuit of opportunities that have arisen at different times.
Further information	https://bit.ly/2roBOvg "Facilitating Affordable Housing Through Planning Mechanisms: Part 1: Review of Planning Approaches & Measures" report by Urbanista for the NSW Federation of Housing Associations and Parramatta City Council, 2016 https://bit.ly/2svDwLS



C.S. 17 WESTMINSTER CITY & DOLPHIN LIVING: INTERMEDIATE LIVING

Approach/ Mechanism	Intermediate Housing
Context	Inner Metropolitan
Objectives	To improve housing opportunities for moderate income individuals and families unable to access private rental or home ownership, and to promote socio-economic diversity in inner-metropolitan and metropolitan regions.
Strategies	<p>Trenchard House development is located in London close to restaurants, bars, theatres and shops. Of the 78 homes, 65 are on intermediate rents with three year tenancies, with the option of a further three years for eligible households. Dwellings are equipped with fridges, stoves and built in wardrobes. There is a ground floor retail space and a basement restaurant.</p> <p>The site, formerly owned by the public sector, had lain dormant for years. The properties are rented at discounts of up to 75% of the market rate.</p> <p>The properties cater to those who do not qualify for social housing, but cannot access London's strained property market including traditional key workers, such as nurses, firemen and police officers, chefs, actors, social workers and those employed in tourism. Residents are required to demonstrate they can afford to live in the housing without requiring a housing benefit.</p>

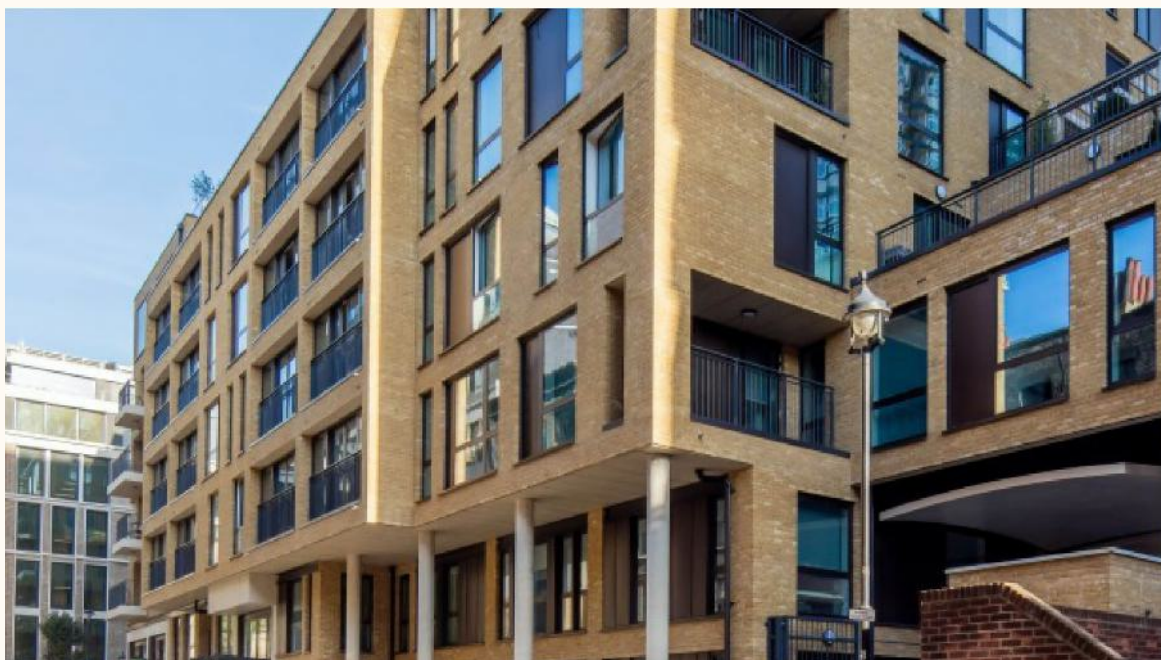


City of Westminster



Module 5 – 34 C.S.17 WESTMINSTER CITY & DOLPHIN LIVING: INTERMEDIATE LIVING

Implementation Framework	<p>The housing is administered by Dolphin Living. Applications for the properties are directed through Homeownership Westminster. Homeownership Westminster is a service aimed at those who live or work in the Westminster area and want to get on to or move up the property ladder through purchasing or renting a property. The service was launched in April 2009 and it has helped over 1,000 households to home ownership or rental property in Westminster.</p> <p>Priority is given to families with children who are Westminster residents and then to Westminster workers. Maximum household incomes apply to eligibility.</p> <p>Residents are open to applying for the Westminster Homeownership Accelerator through which 50 households have the opportunity to receive an enhanced, gifted deposit after three years of renting, towards a home purchase in Greater London, after initially renting a property through intermediate rent.</p>
Outcomes	<p>The development was opened and occupied in 2016. It achieved Code 4 of the Code for Sustainable Homes.</p>
Success Factors/ Limitations	<p>The development is a successful example of environmentally and socially sustainable housing catering for a sector of the housing market that often falls between existing housing options.</p> <p>It also exemplifies the functional relationship between affordable housing providers and council bodies.</p>
Further information	<p>https://bit.ly/2AQ8mmi https://bit.ly/2mHpSx http://bit.ly/2ABUTza</p>



C.S. 18 WILLOUGHBY CITY COUNCIL: SEPP 70

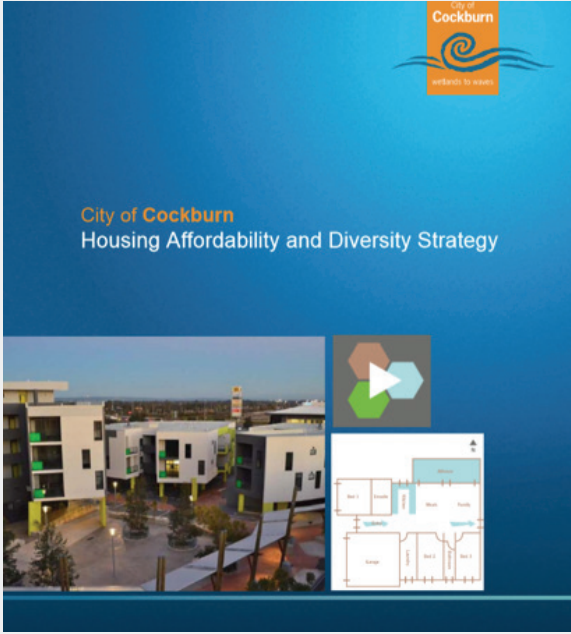
Approach/ Mechanism	Mandatory Inclusionary Zoning (SEPP 70)
Context	Metropolitan—growth, urban renewal
Objectives	<p>Willoughby's Local Environmental Plan 2012, the main apparatus to implement Willoughby's Affordable Housing Program, aims to "provide opportunities for a range of housing choice in Willoughby to cater for changing population needs in accessible locations".</p> <p>The Willoughby Development Control Plan specifies housing aims:</p> <ul style="list-style-type: none"> ▪ To encourage the development of new housing for a diverse residential and working population representative of all income groups; ▪ To guide the community and the development industry in the provision of affordable housing; ▪ To outline the obligations relating to ongoing management of affordable housing.
Strategies	<p>Mandatory Inclusionary Zoning – SEPP 70 and Willoughby Local Environmental Plan 2012. 10% of gross floor area of uplift value is allocated to affordable housing.</p> <p>Investigation of use of Council land for an affordable housing project.</p>
Implementation Framework	<p>As sites are rezoned for more intensive development a contribution equivalent to 4% of the gross floor area of the residential component of development is made. If the 4% contribution is not enough to achieve a full unit, a monetary contribution is required based on the equivalent market value of the floor space.</p> <p>Council retains ownership of affordable housing dwellings. Asset and tenancy management is the responsibility of a CHP, Evolve Housing. Care is taken in negotiating housing contributions to ensure that affordable housing is not likely to incur high strata fees.</p>
Outcomes	12 dwellings have been delivered. A further 11 are in the pipeline and cash contributions are held in trust. Housing is rented to households on low to moderate incomes at rents that do not exceed 30% of their income.
Success Factors/ Limitations	<p>Progressive culture within both the elected and administrative arms of Council has assisted. From 1995 until 2014 Council had a designated staff member for housing. The vacant position has not been filled pending council restructuring.</p> <p>The contribution applies to residential rezoning (clause 6.8(7) of the LEP) and mixed-use land, not to B3 commercial core sites where residential use is not permitted.</p> <p>Opportunities to require affordable housing have been lost where applications have been assessed by the state government as major projects. In such cases, development has not included provision for affordable housing even though those projects, such as the Chatswood Station redevelopment, have tended to result in significantly more intensive development than permissible under the LEP. One exception was a major project in Chatswood on Council land where Council was able to require contribution to affordable housing as part of its conditions of sale.</p>
Further information	<p>https://bit.ly/2QA7Fri</p> <p>"Facilitating Affordable Housing Through Planning Mechanisms: Part 1: Review of Planning Approaches & Measures" report by Urbanista for the NSW Federation of Housing Associations and Parramatta City Council, 2016 https://bit.ly/2svDwLS</p>



C.S.18 WILLOUGHBY CITY COUNCIL Module 5 – 37




5.5 EXAMPLES OF Housing Initiatives

Authority	Focus	Description / Further Information
E.1 Berlin, Germany	Design: – Reducing cost of production – Housing co-operatives	In Berlin, building cooperatives deliver more affordable housing by enabling home buyers to refine their requirements through input to the design. They can choose to remove components they do not want to use and pay for, such as parking and luxury features. <i>Alves, T. and London, G., 2012, New Housing for a Shifting Urban Paradigm: Housing Cooperatives as a More Affordable and Sustainable Alternative for Housing Provision in Australian Cities.</i> https://bit.ly/2P14hfe
E.2 Build to Rent	Purpose built rental housing Facilitation Partnerships: Use of government land	Build to rent is a term used to describe a model that aims to provide good quality rental housing suited to low to moderate income people priced out of ownership, whose needs are not met through the private rental market. Accommodation, usually in the form of residential flat buildings in accessible locations, is developed for rental rather than sale of individual units to home purchasers or investors. While the particular model, intended to attract institutional investors, is yet to be established in Australia, with proponents advocating for tax incentives and other facilitation, the National Affordable Rental Incentive has provided incentives for purpose built rental housing targetted to low income households. Concerns have been raised that the model may be not be sufficiently targetted to those in housing need and may simply enhance developer profit, rather than improving affordable housing options. The provision of incentives and other facilitation only to projects which deliver required affordable housing outcomes can assist in addressing this. Amenity concerns for residents and neighbours have also been raised if concessions in development standards are not carefully applied. The NSW Government included a build-to-rent project at Redfern Park in its Communities Plus program in July 2018. The project will comprise around 400–500 dwellings, 70% for renters at market prices and 30% for social and affordable rental housing developed in partnership with the development industry and investors. https://bit.ly/2SxV1oM https://bit.ly/2CmpEYW
E.3 Byron Shire 	Facilitation: Sale of council land	Byron's Affordable Housing on Council Owned Land Policy requires that as a first option consideration is given to affordable housing in the form of: medium density low cost residential housing, villas and seniors' living opportunities; caravan park type housing in appropriate areas. An example is the sale of vacant Council land in Mullumbimby to North Coast Community Housing to deliver a mix of housing options.

Authority	Focus	Description / Further Information
E.3 Byron Shire ... cont	Facilitation: Sale of council land	<p>The 3200m² property will be developed for 25 one bedroom units, with a mix of affordable housing and market value housing. Six units will be managed by North Coast Community Housing and set aside for affordable community housing. The remainder will fill a “a niche housing gap”. The initiative will return market value to Council.</p> <p>https://bit.ly/2rm9jhK https://bit.ly/2E3WYX3 https://bit.ly/2E3WYX3</p>
E.4 Central Coast (Gosford)	Planning: Retaining affordable housing	<p>Gosford LEP 2012 includes measures to retain residential parks and low cost accommodation. The objectives of Clause 7.5 “Caravan parks and manufactured home estates” seek to ensure the social and economic wellbeing of residents at risk of displacement due to redevelopment.</p> <p>https://bit.ly/2StAgM1</p>
E.5 Cockburn, WA	Facilitation: Housing diversity – development incentives	<p>The City of Cockburn Housing Affordability and Diversity Strategy 2018 includes:</p> <ul style="list-style-type: none"> Actions to amend local planning controls to facilitate a more diverse range of housing, specifically smaller dwellings and adaptable dwellings (needing the support of changes to state policies); Investigating use of planning incentives for affordable housing; Use of Council land for affordable housing projects; Research and stakeholder engagement to inform policy development. <p>https://bit.ly/2AQ85zM</p> 

EXAMPLES OF HOUSING INITIATIVES ... cont

Authority	Focus	Description / Further Information
<p>E.6 Darebin, Victoria</p> 	<p>Facilitation: Retention of low cost private rental</p>	<p>The City of Darebin Housing Stress Action Plan 2013–2017 includes the following actions to increase the number of rooming houses in the city:</p> <ul style="list-style-type: none"> Actively work with the Registered Accommodation Association of Victoria (umbrella group representing owners and operators) to increase the number of safe registered rooming houses; Maintain an up-to-date list of all registered rooming houses that is available to the public; Develop and formalise a “Rooming House Closure protocol” with North East Housing in the event that a private rooming house is closed and the tenants are made homeless; Contribute to the development and maintenance of a Rooming House website in conjunction with the Metropolitan Melbourne Rooming House Group and the Victorian Local Governance Association. <p>http://www.darebin.vic.gov.au/</p>
<p>E.7 Design Council, UK</p> 	<p>Design: Better living through good, sustainable design</p>	<p>Building for Life 12 is a government-endorsed industry standard for well designed homes and neighbourhoods. Local communities, local authorities and developers are encouraged to use it to guide discussions about creating good places to live.</p> <p>https://bit.ly/2EgATWj</p>
<p>E.8 Hobart City, Tasmania</p>	<p>Corporate Planning: Inclusive communities</p>	<p>The development of the Hobart 2025 Strategic Vision plan has allowed both the people and the Council of the City of Hobart to identify goals to be achieved as Hobart develops. These have been outlined in the Hobart City Council Social Inclusion Strategy.</p> <p>https://bit.ly/2rloiJ3</p>

Authority	Focus	Description / Further Information
E.9 Hobsons Bay, Victoria	Establishing evidence base	Hobsons Bay City Council has prepared a background report (December 2017) that establishes the evidence base for a forthcoming Housing Strategy. The evidence base includes a detailed outline of contextual data and issues, including current and future housing needs, and identifies key policy focus areas around which housing objectives and actions are to be developed. https://bit.ly/2TJXKgG
E.10 Home Care Heroes, Australia	Community care: Supporting residents in existing housing/ communities	Home Care Heroes offers affordable care and companionship to community members who are ill, injured, elderly or living with a disability. It aims to reduce social isolation and build more inclusive communities. https://bit.ly/2LYaCAe
 		
E.11 Inner West (includes former Ashfield, Leichhardt and Marrickville LGAs)	Planning: Development incentives and dwelling mix requirements	Ashfield LEP 2013 aims to facilitate new affordable rental housing by providing height incentives to developers. Under clause 4.3A, residential flat buildings or shop top housing in mixed use developments on identified land can exceed building heights by up to 7m, provided that at least one dwelling is used for affordable rental housing and 25% of the additional incentivised floor space be used for affordable rental housing. https://bit.ly/2FYMYRC Leichhardt Local Environmental Plan 2013, Clause 6.13 "Diverse housing" sets mandatory requirements for multi-unit housing configuration. At least 25% of dwellings must be studio units and one bedroom dwellings and no more than 30% can be three bedroom dwellings. https://bit.ly/2GaCpv4
E.12 Inner West 	Planning: Targets and inclusionary zoning	The Inner West Council developed an Affordable Housing Policy in 2017 setting a target of 15% affordable housing on large developments and 30% on government-owned urban renewal sites. Inner West Council has been included in SEPP 70. https://bit.ly/2FszSes

EXAMPLES OF HOUSING INITIATIVES ... cont

Authority	Focus	Description / Further Information
E.13 City of Kingston, Victoria	Comprehensive affordable housing policy	The City of Kingston's Affordable Housing Policy illustrates an expansive approach to exploring possible housing strategies including investigation of fast track planning approvals for applications lodged by registered housing associations, upfront consideration of affordable housing at early rezoning stage, potential for density bonuses, opportunities for "meanwhile housing" and use of vacant (or underutilised) council land including innovative use of airspace. http://bit.ly/2riCVNc
E.14 Meanwhile Use Housing	Temporary use of underutilised land and buildings	<p>Meanwhile Use Housing takes advantage of points in the development cycle of land where land and/or buildings may sit underutilised to provide short to medium term housing. Examples include:</p> <p>TOGA partnership with My Foundations Youth Housing – Addison Hotel; pop-up accommodation for vulnerable youth;</p> <p>Pathways Home – PAYCE, Bridge, WCS; Temporary housing for women and children exiting crisis accommodation;</p> <p>Launch Housing – various projects including pop-up homelessness accommodation and "meanwhile use" delivering 57 prefabricated units across nine parcels of land in Melbourne's inner west (with VicRoads and the DHHS);</p> <p>CasPA care project for women over 55 years;</p> <p>Commercial leases program – Government properties managed by CHPs 'meanwhile use' while development plans are finalised.</p> <p>Source: Simone Parsons, Women's Community Shelters, presentation to the 2018 CHIA Affordable Housing Conference at http://www.ahc2018.com.au/presentations/</p> <p>Refer also to CHIA NSW Housing Matters March 2018.</p>
		
E.15 Melbourne City, Victoria	Policy settings, design, development bonuses	Council's <i>Homes for People</i> is a comprehensive housing strategy designed to meet the needs of all in the community. One strategy action is to consider including up to 15% of dwellings that are constructed in the redevelopment of council land being made available as affordable housing to a registered affordable housing provider. https://bit.ly/2zJbgJZ
E.16 Oran Park DPIE and Camden Council	Collaboration: – State and local government; facilitation – Infrastructure to support new developments	As part of the South West Priority Land Release Area, the greenfield development of Oran Park required extensive infrastructure, such as water, electricity, sewerage and telecommunication, to support high population growth. The Department worked closely with Camden Council, stakeholders and the community to take a coordinated approach to planning for new homes and infrastructure. The State Environmental Planning Policy (Sydney Region Growth Centres) 2006 included new planning controls to enable urban development at Oran Park. http://bit.ly/2StRx7R

Authority	Focus	Description / Further Information
<p>E.17 Penrith City Council</p> 	<p>Facilitation: VPAs</p>	<p>Penrith City Council uses VPAs to negotiate contributions from developers towards affordable housing. For example, the agreement for Sydney Science Park (2016) requires a monetary contribution towards affordable housing (\$159 per person, subject to indexation), as well as providing affordable housing dwellings as a proportion of total dwelling stock (three out of 3,400).</p> <p>https://bit.ly/2Gmcbna</p>
<p>E.18 Port Macquarie – Hastings</p>	<p>Social impact assessment</p>	<p>Hastings Social Impact Assessment Policy 2009 requires a social impact assessment to be undertaken for rezonings, draft LEPs, environmental studies and any other development proposals which may cause positive or negative social impacts such as removal of the existing stock of affordable housing and displacement of disadvantaged groups.</p> <p>http://bit.ly/2KANYha</p>
<p>E.19 Port Phillip City, Victoria</p> 	<p>Planning: Reducing cost of production (parking)</p>	<p>Council commissioned GTA Traffic Consultants to produce a report to identify the amount of parking required for affordable housing developments. This work recognised that tenants of affordable housing projects have a low car ownership rate, and that projects are generally well located with good access to public transport.</p> <p>This report has been widely adopted by the affordable housing development sector and by other councils to substantiate the requirement for lower levels of car parking for affordable housing developments.</p> <p>https://bit.ly/1pwNa9J</p>
<p>E.20 Port Phillip City, Victoria</p> 	<p>Facilitation: Community education and engagement</p>	<p>Council commissioned research to identify community education and engagement strategies for proposed affordable housing developments due to incidents of local opposition. The report, <i>Community Engagement and Community Housing</i>, documents several affordable housing developments and evaluates the processes associated with each development to identify best practice, and to recommend strategies for the future.</p> <p>https://bit.ly/2zGVr6f</p>

Authority	Focus	Description / Further Information
<p>E.21 Port Stephens</p> 	<p>Social impact assessment</p>	<p>Port Stephens Social Impact Policy was adopted in 2014 by Council to “provide a consistent, transparent and equitable framework for analysing and managing social impacts of Council activities and development proposals”.</p> <p>https://bit.ly/2E3PcfV see under ‘Social Impact Policy and Guidelines’</p>
<p>E.22 PossAbilities, UK</p> 	<p>Facilitation: Homeshare scheme</p>	<p>PossAbilities operates a homeshare scheme to those seeking housing or social support. The “householder” offers a living space to a “homesharer” in return for ten hours of social support. Social support is for example gardening, cleaning, shopping and companionship. The room is occupied at no charge, except 50% of gas, electricity and power bills. The scheme charges a one off registration fee as well as a monthly service fee.</p> <p>https://bit.ly/2ii5uVo</p>
<p>E.23 South Australia</p> 	<p>Planning mechanisms: Mandatory inclusionary zoning</p>	<p>South Australia became the first state to set a target for the inclusion of affordable housing in all significant new housing developments when it introduced its Housing Plan in 2005. The Plan, which requires 15% affordable dwellings, has delivered over 2,040 dwellings for low to moderate income households to a value of almost \$480 million.</p> <p>Around half of the housing delivered through this framework has been for affordable housing purchase. The affordable housing inclusionary zoning policy has been applied in over 85% of the state’s Greater Metro Development Plans.</p> <p>https://bit.ly/2rkKIPM https://bit.ly/2G1wbNI</p>
<p>E.24 Tiny Homes Foundation/ Central Coast (Gosford City)</p> 	<p>Planning: Development standards</p> <p>Facilitation: Design, provision of land</p>	<p>The Tiny Homes Pilot Program seeks to address Australia’s affordable housing crisis through the development of Tiny Home villages in partnership with state and local government. The Pilot Program will comprise four to six tiny homes, and a common space offering amenities and meeting facilities for the provision of welfare and education services. The project aims to work within a collaborative supported-service model to address the needs of people experiencing and at risk of homelessness.</p> <p>Gosford Council (now Central Coast Council) has leased two sites to the Tiny Homes Foundation to develop pilot Tiny Homes projects. One project was completed in early 2018.</p> <p>https://bit.ly/2Ei2l6f</p>

5.6 National and State Housing Programs and Initiatives

Initiative/Program National Housing and Homelessness Agreement (NHHA)	
Description	<p>The NHHA replaced the National Affordable Housing Agreement (NAHA) from 1 July 2018 and combines funding currently allocated under the National Affordable Housing Specific Purpose Payment (NAHSPP) and the National Partnership Agreement on Homelessness (NPAH).</p> <p>State and Territory governments are required to meet a number of conditions, including development of housing and homelessness strategies and provision of data as well as matching Commonwealth funding for designated homelessness services.</p> <p>Funding: \$1.3 billion a year, plus additional \$375.3 million over 3 years from 2018/19</p>
Target	Crisis, social and affordable housing
Location	All areas
Benefit	Funding for housing (including social and affordable housing) and homelessness services
Timing	From 1 July 2018
Further information	https://nhfic.gov.au/

Initiative/Program National Housing Finance and Investment Corporation (NHFIC)	
Description	<p>The NHFIC is being established as an affordable housing bond aggregator to raise money at lower rates from the wholesale bond market for not-for-profit community housing providers. The Government will provide \$63.1 million over four years from 2017-18 (including \$4.8 million in capital) to establish and run the NHFIC.</p> <p>This will allow CHPs to borrow at cost effective rates to reinvest and expand supply of affordable housing.</p> <p>Funding: \$63.1 million over 4 years from 2017-18.</p>
Target	Social and affordable housing
Location	All areas
Benefit	More social and affordable housing
Timing	From 1 July 2018
Further information	http://bit.ly/2Db8aA5

Initiative/Program National Housing Infrastructure Facility (NHIF)	
Description	<p>NHIF will provide funds to support local government to finance critical infrastructure such as transport links, site remediation works and power and water infrastructure to speed up the supply of new housing. Payments of \$600 million in concessional loans, \$225 million in equity investments and \$175 million in grants will be made to local governments through state and territory governments.</p> <p>Funding: \$1 billion over 5 years.</p>
Target	Social, affordable, private rental, assisted home ownership, home ownership
Location	Areas with supply potential

Initiative/Program National Housing Infrastructure Facility (NHIF) ... cont	
Benefit	Increased housing supply
Timing	From 1 July 2018 the NHIF will assess applications for financial assistance from local governments
Further information	http://bit.ly/2P3qwYB

Initiative/Program First Home Super Saver (FHSS) Scheme	
Description	The First Home Super Saver Scheme will allow voluntary superannuation contributions of \$15,000 per annum and cumulative maximum of \$30,000 in total (per person if in a couple) for first home buyers. Individuals can invest in and then access superannuation funds. These savings can be withdrawn and used for a deposit, and will be taxed at 30% below the marginal rate.
Target	Home ownership
Location	All areas
Benefit	More households become home purchasers
Timing	From 1 July 2018
Further information	http://bit.ly/2UOb0VQ

Initiative/Program Downsizing	
Description	Individuals aged 65 and older will be able to contribute up to \$300,000 of the proceeds from the sale of a principal residence that they held for at least 10 years into their superannuation and take advantage of the tax incentives.
Target	Home ownership
Location	All areas
Benefit	Will reduce the cost of downsizing for older people, enable more older people in appropriate housing, and increase availability of larger homes for families.
Timing	From 1 July 2018
Further information	https://bit.ly/2ZN7xFC

Initiative/Program Investment tax incentives: Managed Investment Trusts (MIT)	
Description	MITs will be allowed to invest in affordable housing. The housing must be available for rent to low and moderate income tenants for at least 10 years, with rent charged at a discount below the private rental market rate. Resident and non-resident individual investors can invest in affordable housing through MITs.
Target	Affordable housing
Location	All areas
Benefit	More affordable housing for people who need it, may provide pathways out of social housing.

Initiative/Program Investment tax incentives: Managed Investment Trusts (MIT) ... cont

Timing For income years starting on or after 1 July 2017

Further information <https://bit.ly/2KClenl>

Initiative/Program Investment tax incentives: Capital Gains Tax (CGT) discount

Description The CGT discount will be increased to 60% for investments in managed affordable rental housing through approved community housing providers. Investments must be held for a minimum of three years. Resident individuals investing in qualifying affordable housing will be eligible to receive the additional CGT discount.

Target Affordable housing

Location All areas

Benefit Increased supply of affordable housing

Timing From 1 July 2018

Further information <https://bit.ly/2X87aIN>

Initiative/Program Foreign Investment Restrictions

Description A 50% cap on foreign ownership in new developments is being introduced, as well as a charge on vacant homes that are foreign-owned, and a reduction in capital gains tax exemption from 10 to 12.5%

Target Home ownership, availability of rental properties

Location All areas

Benefit Limits on foreign ownership of new developments may increase the pool of homes available to Australians in the local market

Timing From 1 July 2018

Further information <https://bit.ly/2LenCQR>

Initiative/Program Release of government land

Description The Commonwealth Govt is releasing underutilised land to facilitate the provision of new housing, beginning with former defence housing at Maribyrnong. An online register of Government owned land is publicly available. Other levels of government, private businesses and community groups can bring forward proposals to put the land to better use.

Target Home ownership, affordable

Location Federal Government landholdings around Australia

Benefit Additional land zoned for residential development

Timing Australian Government Property Register published 1 December 2017

Further information <http://bit.ly/2Gi5LW0>

New South Wales

Initiative/Program	Future Directions – Communities Plus
Description	Communities Plus will deliver both major site and neighbourhood-level developments that focus on blending social housing with affordable and market-rate housing, as well as designing new community areas and improved access to public transport. 40,000 new private dwellings will be incorporated with 500 affordable housing units and 23,000 new and replacement social housing dwellings.
Target	Home ownership, affordable rental housing and social housing
Location	Major sites include Waterloo, Macquarie Park, Arncliffe and more, while neighbourhood precincts are widespread across Sydney and NSW
Benefit	New market-rate, designated affordable rental and social housing stock to meet housing needs in NSW
Timing	Work commenced 2016, timeline varies across projects.
Further information	http://bit.ly/2M4PKUJ http://bit.ly/2KVLDK9

Initiative/Program	NSW Homelessness Strategy
Description	A five year plan for a comprehensive approach to improve the way the state government responds to homelessness, with an emphasis on prevention. The strategy has three areas of focus: identifying people who are vulnerable early; providing better support and services; making the system more integrated and person-centred. \$1b including \$61m in new funding over four years will be provided under the strategy.
Target	Crisis housing, social housing
Location	Metropolitan and regional NSW
Benefit	Prevention for vulnerable people and better outcomes for people experiencing homelessness
Timing	Five years from 2018 to 2023
Further information	http://bit.ly/2LoKB9J

Initiative/Program	Social and Affordable Housing Fund (SAHF)
Description	Aimed at delivering social and affordable housing in NSW. First phase includes 2,200 new affordable and social homes to be delivered in partnership with approved community housing providers. Second phase targeting an additional 1,200 social and affordable homes. Subsidies are for provision of affordable and social housing for up to 25 years. \$1.1 billion seed capital from the state government, with further capital for second phase as required.
Target Cohort	Affordable rental housing, social housing
Location	Metropolitan and regional NSW
Benefit	Additional social and affordable homes, as well as tailored support services with tenancy
Timing	Tenants began moving in May 2017. All SAHF Phase 1 services are due for completion by March 2020
Further information	http://bit.ly/2VCLaB6

Initiative/Program Social Housing Management Transfers Program	
Description	The state government (DCJ) will transfer the management of 14,000 social housing tenancies to CHPs to better manage these locally and to take advantage of different sources of funding. The state government will retain ownership of all properties and lease them to CHPs for a 20 year period
Target	Social housing
Location	Metropolitan and Regional NSW locations including Shoalhaven, mid-North Coast, Hunter New England and Northern Sydney
Benefit	Support for the community housing sector, as well as access to different sources of funding to provide quality and secure housing for vulnerable groups
Timing	All properties in the service packages expected to be transferred by 2019
Further information	http://bit.ly/2FozbBS

Initiative/Program Social Housing Community Improvement Fund	
Description	One-off grants of up to \$50,000 for physical improvements in and around social housing communities will be provided to improve amenity. Fourth round grants (2018) featuring \$1.2 million for 30 community infrastructure projects
Target	Social housing
Location	Social housing communities around NSW
Benefit	Improved amenity in social housing communities
Timing	Fourth round projects are required to be completed by 31 March 2019
Further information	http://bit.ly/2X40GWY

Initiative/Program 2017 Budget Housing Affordability Package	
Description	A <i>fair go for first home buyers</i> package includes removal of stamp duty for first-home buyers for homes up to \$650,000, and stamp duty reductions for homes up to \$800,000; first-home buyers purchasing new homes will receive grants of \$10,000 up to \$600,000; abolished insurance duty on mortgage insurance; higher duties and taxes for foreign investors; investors cannot defer payment of stamp duty for off-the-plan purchases; infrastructure funding and other measures to boost housing supply.
Target	Home ownership particularly for first home buyers
Location	NSW statewide
Benefit	Support for first home buyers entering the market
Timing	(Announced) 1 July 2017
Further information	http://bit.ly/2POBYWy



5.7 NSW Local Planning Framework for Housing

This section provides a brief overview of the NSW planning system as it provides the legislative framework for councils to plan for housing and infrastructure in their communities. Since the Kit was first developed, changes to the statutory planning framework in NSW have expanded the capacity for councils to act.

Key Planning Legislation

The NSW planning system is made up of legislation, regulations, environmental planning instruments (EPIs) and other planning documents. Government agencies including local councils are responsible for implementing different components of the planning system. NSW planning legislation and EPIs can be accessed through the NSW Legislation (<http://bit.ly/2SUJio9R>) website.

Environmental Planning & Assessment Act and Regulations

Land use and planning is primarily governed by the *Environmental Planning and Assessment Act 1979* (EP&A Act) and *Environmental Planning and Assessment Regulation 2000*. This legislation is administered by the Department of Planning, Industry and Environment (DPIE).

Environmental Planning Instruments (EPIs)

The EP&A Act provides for the issue of certain documents that support the regulation of planning and development, known as environmental planning instruments (EPIs). Although EPIs are not legislation, they are statutory documents and are legally binding. The two most commonly used are:

- ◆ Local Environmental Plans (LEPs)
- ◆ State Environmental Planning Policies (SEPPs)

LEPs determine what types of development are permitted or prohibited within a local government area through zoning. They also impose development standards that control the form of certain development.

SEPPs are environmental planning instruments that apply to matters of state or regional significance. SEPPs can make provisions for development similar to LEPs, except these provisions apply to major projects such as state significant development or state significant infrastructure. SEPPs can also cover broader planning policy matters relevant to all of NSW. For example, the State Environmental Planning Policy (Affordable Rental Housing) 2009 applies to the whole of NSW and aims to facilitate the provision of affordable housing.

Inconsistency between SEPPs and LEPs

In the event of an inconsistency between a SEPP and LEP, the SEPP will override the provisions of the LEP.

Development Control Plan (DCP)

A DCP is a document prepared by a council that contains detailed planning, development and design guidelines. A DCP is prepared to support the provisions of an EPI (such as an LEP) and includes additional development controls and standards for local development. DCPs are not EPIs and are not legally binding documents. They are a guide for local development. DCPs can be accessed through visiting a local council website.

Other Commonwealth and NSW legislation also operates within the planning system in certain contexts, including heritage protection, environmental protection and biodiversity conservation, water management and land contamination.

5.8 Glossary

Glossary Term	Definition	Source
Aboriginal Person	Term used to describe a person who identifies as being of Aboriginal or Torres Strait Islander origin. (See Indigenous Australian, Torres Strait Islander)	Common Ground
Accessible Housing	Housing designed to meet the needs of people requiring higher level access and mobility, and able to accommodate wheelchair users in all areas of the dwelling.	Your Home Australian Government
Adaptable Housing	Housing designed in such a way that it can be easily and affordably modified in the future to become accessible to residents with disabilities.	Vista Access Architects
Affordability Gap	The difference between the market price or rent and the capacity of a household to pay for housing. Usually determined as a percentage of household income in the range of 25%–30% for lower income earners. For households receiving housing assistance, this gap may be met through direct or indirect, subsidies e.g. discounted rent. (See: Subsidy Gap)	Urbanista
Affordable Housing	Housing offered at a price or rent that is within the means of lower income households, and is appropriate to their needs. Affordable housing may be produced in the market or through the non-profit sector, and is usually subsidised in some way.	LGHK
Affordable Rents	Rents that meet defined standards of affordability for specified target households.	LGHK
Betterment Fees	Levies on the increased value of land created through public investment in infrastructure and/or a rezoning or a variation in planning rules. Also known as Betterment Tax or Betterment Charge.	Urbanista
Boarding House	Residential building comprising individually let rooms primarily for single people, usually with some shared facilities but excluding backpackers' accommodation or group homes. Individual rooms may or may not have kitchenette and bathroom facilities. Those with separate facilities are known as New Generation Boarding Houses . Sometimes referred to as a Rooming House , particularly in Victoria.	Urbanista
Build to Rent	Residential accommodation, usually in the form residual flat buildings in accessible locations, is developed for the institutional investment market for lease to rental tenants rather than for sale to home purchasers or investors.	Urbanista
Cash Flow Modelling	Provides projections of the revenue and costs arising from a project over a given time period.	Urbanista
Co-housing	Housing that includes provision for shared living spaces, such as cooking and eating areas, as well as private living spaces.	LGHK
Commonwealth Rent Assistance	An Australian Government payment, received fortnightly by eligible residents on low or moderate incomes who are renting in the private housing market, to assist with the cost of housing. CRA is paid at 75 cents for every dollar above a minimum rental threshold until a maximum rate (or ceiling) is reached. The minimum threshold and maximum rates vary according to the household or family situation, including the number of children.	AIHW

Glossary Term	Definition	Source
Community Housing	Social and other forms of affordable housing that are managed (and sometimes owned) by not-for-profit community-based organisations. Products of Community Housing include Crisis Accommodation, Transitional Housing, Social Housing, Affordable Housing and Co-operative Housing.	DCJ
Community Housing Provider (CHP)	Not-for-profit managers and developers of affordable rental housing for lower income households and those with specific housing needs. Whilst some short-term and emergency services are offered by CHPs, generally community housing offers affordable, long-term term rental housing for people on very low to moderate incomes with a housing need. CHPs are regulated by and registered with the National Regulatory System (NRS) for Community Housing.	CHIA NSW
Community Land Trust	Organisation established to hold land in perpetuity for housing.	Urbanista
Complying Development	Development considered to have relatively minor impacts which can be carried out in NSW without requiring development approval from a consent authority, provided they comply with designated building or environmental standards.	Urbanista/ NSW Government
Contingency Allowance	An allowance for unforeseen costs including those resulting from delays or changes in the operating environment or which may have been overlooked.	Urbanista
Debt Finance	Money provided by an external lender. Examples of this are mortgage instruments provided by banks, building societies or credit unions.	Australian Government
Density Bonuses	Opportunities for development at a density greater than is usually permitted in return for a public benefit such as an affordable housing contribution.	AHURI
Developer Agreement	Alternative term for Planning Agreement .	LGHK
Developer's Margin	The profit required by a developer expressed as a percentage of total project costs	Urbanista
Development Application	An application for approval from a council, a Regional Panel, a Sydney planning panel or the Minister for Planning for infrastructure and other developments as required under the relevant planning instrument. Other activities that don't need planning approval may still need approval from a government agency before they can be undertaken.	Urbanista
Development Control Plan (DCP)	Detailed planning and design guide prepared and adopted by councils to support the planning controls in the Local Environmental Plan (LEP) . It identifies additional controls and standards for addressing development issues at a local level and can be applied more flexibly than a LEP.	Urbanista
Development Levy	Method of collecting contributions as part of the planning process. For instance, developers may choose to provide a portion of a development as inclusionary zoning or pay a monetary contribution which can be applied towards provisions such as affordable housing.	Urbanista
Discount Rate	Applied in financial modelling to reduce future cash flows to their expected value in today's dollars	Urbanista

Glossary Term	Definition	Source
Efficiency Ratio	Proportion of Gross Floor Area that is dwelling space compared to common areas.	Urbanista
Environmental Planning and Assessment Act 1979 (EP&A Act)	The principal state government legislation governing environmental planning and development in NSW.	NSW Government
Equity Finance	Money sourced from within a business. This can involve public or private capital investment in a project.	Australian Government
Escalation Rate	Used in financial modelling to take into account anticipated changes (usually upward) in costs or revenue over the period being modelled.	Urbanista
Exempt development	Development not requiring planning approval under the Environmental Planning and Assessment Act .	Urbanista
Fast-tracked Development Approval	Planning measures that cut red tape and streamline approval processes for desirable developments, thus reducing processing time and the applicant's holding costs. For example, a council or other consent authority may dedicate staff to fast-track affordable housing applications.	Urbanista
Floor Space Ratio (FSR)	In NSW under the standard LEP template, this is calculated by dividing the Gross Floor Area by the site area.	Urbanista
Graduated Planning Standards	Planning measure that alters development standards to encourage certain types of development, or in recognition that the requirement is not appropriate for the development in question. For example, standard requirements for car parking may not be appropriate for an affordable housing project where car ownership is typically low.	Urbanista
Greenfield	Undeveloped site or location	Urbanista
Greyfield	Ageing but occupied tract of inner and middle ring suburbia that is physically, technologically and environmentally failing and which represents an under-capitalised asset that has not seen significant or effective intensification.	Murray, S et al (2016)
Gross Floor Area (GFA)	The area of all units and common areas within (but not including) the external walls of any buildings with the exclusion of common vertical circulation (i.e. lifts and stairs), basements, plant rooms, parking spaces, loading zones, terraces and balconies with outer walls less than 1.4m in height and any voids above a floor at the level of a storey or storey above.	NSW Government
Homelessness	The condition of having no fixed suitable accommodation. The ABS further clarifies that a person is homeless if their current living arrangement is in a dwelling that is inadequate, has limited or no tenure, or denies them space for social relations.	ABS
Housing Affordability	Cost of rent or purchase price of housing that is appropriate to the needs of a household compared to the capacity of that household to pay.	LGHK



Glossary Term	Definition	Source
Housing Assistance	May come in the form of private rental assistance products or subsidies, temporary accommodation, supported and crisis accommodation, or the provision of affordable and social housing.	DCJ
Housing Diversity Requirement	Requirement that a certain mix of dwelling sizes, types or tenures be provided within a development or an area.	Urbanista
Housing Stress	Common measure of housing stress is where a household's housing costs, primarily mortgage repayments or rents, exceed 30% of their gross income. Both purchasers and renters can be in housing stress. As households on higher incomes may choose to spend a higher proportion of their income on housing, and have more disposable income left over after housing costs, the 30% measure is a better indicator of affordability for low-income households (the bottom 40%), who are more likely to be struggling with housing costs that exceed this benchmark.	Centrelink
Housing Subsidies	Capital, recurrent grants or other in-kind assistance (e.g. land transfer) provided to the consumer or producer of designated housing.	LGHK
Impact Fees	Monetary contributions to offset the impacts of development where a proposal increases the need for, or reduces the supply of, affordable housing.	Urbanista
Inclusionary Zoning (IZ)	Requirements within a planning instrument for a development to incorporate certain features or types of development, such as a specified component of affordable housing. Commonly a monetary contribution may be sort in lieu of actual provision. Inclusionary Zoning may also be referred to as Mandatory Quotas .	Urbanista
Income Definitions	Parameters used to segment individuals or households by income level. A common definition of very low income is less than 50% of the NSW or Sydney median income, while low income is defined as 50%–80% and moderate income as 80-120%. The ARHSEPP defines very low income household, low income household or moderate income household as having gross income that is less than 120 per cent of the median household income for the time being for the Greater Sydney (Greater Capital City Statistical Area according to the Australian Bureau of Statistics).	Urbanista ARHSEPP
Income Related Rents	Rents set as a percentage of tenant's household income. A practice widely used in social housing in Australia.	LGHK
Indigenous Australian	Person of Australian Aboriginal and/or Torres Strait Islander descent and for some, but not all, a cultural identity. (See Aboriginal Person, Torres Strait Islander)	ABS
Indigenous Community Housing	Social housing created for Indigenous tenants and usually operated by the Aboriginal Housing Office or an Aboriginal Housing Provider.	LGHK

Glossary Term	Definition	Source
Intermediate housing	Housing that offers a bridge from rental housing to home ownership, such as shared equity or through a community land trust. Allows residents to accumulate a financial asset which can provide greater financial stability, contributes to more stable communities and avoids the future need for social housing.	Urbanista
Internal Rate of Return (IRR)	The minimum discount rate at which a project is viable. It is the rate of return at which the Net Present Value is zero.	Urbanista
Key Workers	People employed in occupations that provide essential services necessary for economic growth and the vitality of an area. Many key workers find it difficult to access appropriate accommodation in areas close to their workplaces, leading to potential labour shortages in areas with high property prices.	MRA Western Australia
Livable Housing	Housing that is designed to be easier to access, navigate and live in, as well as more cost effective to adapt when life's circumstances change. A "livable" home is based on principles of "universal design" in order to be usable to the greatest extent possible. Livable Housing Australia has guidelines for Silver, Gold and Platinum levels to assist those seeking to incorporate "livable design principles" into home design.	Livable Housing Australia
Local Environmental Plan (LEP)	The main planning tool to shape the future of communities and also ensure local development is done appropriately. It provides a framework for the way land can be used, through zoning and development controls. LEPs are prepared by councils and approved by the Minister for Planning.	Urbanista
Local Housing Strategy	Plan of action to encourage housing to meet the existing and future housing needs of the local community.	LGHK
Major Projects	Projects considered to be of state significance, due to size, financial investment and/or regional importance. These are assessed by the DPIE and usually involve a public exhibition and submission process. Major projects generally fall under three categories: (1) Infrastructure, (2) state significant developments and (3) identified state significant sites, such as sites in proximity to an environmental conservation area. Examples of major projects include Sydney Metro, Central Park and the Northern Beaches Hospital.	Urbanista
Mandatory Quotas	Specific measure required for a development proposal to proceed. For example, it may identify a proportion of affordable housing to be included in developments. (See Inclusionary Zoning)	Urbanista
Market Failure	Where a market, such as a local housing market, does not function in an effective or efficient way to meet local demand because of barriers and distortions.	Urbanista
Market Rents	In the context of affordable housing, these are rents that equivalent properties in the private market would be let at.	LGHK
Mean Household Income	The sum of the income values in a dataset divided by the number of values in that dataset. Median Household Income is a more accurate measure for income levels in an area.	NAHA 2010-2011 Report

Glossary Term	Definition	Source
Meanwhile Use Housing	Housing temporarily located on unused land or the short term use of existing buildings to provide housing. Also known as “pop-up housing”.	CHIA
Median Household Income	The middle point of a set of income data. Lining up the values in a set of income data from largest to smallest, the one in the centre is the median income value. Median value is a more accurate measure for income than mean as Mean Household Income values are more influenced by extreme income values.	NAHA 2010-2011 Report
Negotiated Agreements	Instances “where affordable housing contributions are negotiated on a case-by-case basis (although a policy framework to inform these negotiations may still apply)”	AHURI
Net Present Value (NPV)	The difference between the discounted revenue stream and the corresponding discounted costs including developer’s profit. If the NPV is positive, a project is considered viable.	Urbanista
New Generation Boarding House	Boarding house which provides individually let rooms that are self-contained and meets the requirements of State Environmental Planning Policy (Affordable Rental Housing) 2009 (ARHSEPP).	
Partnerships	Relationships that bring together representatives from different sectors and communities of interest to agree and work towards common goals.	LGHK
Planning Agreement	Voluntary agreement between planning authorities and developers under which the developer agrees that as part of a proposal or rezoning that a monetary, land or other contribution will be made towards an agreed public purpose. The Environmental Planning and Assessment Amendment (Development Contributions) Act 2005 sets out certain provisions regulating the making and implementation of certain planning agreements. Also referred to as Developer Agreement .	LGHK
Planning Concessions	Adjustments that allow planning rules to be “varied for affordable housing development or to enable low-cost market housing”.	AHURI
Planning Incentives	Incentive or bonus offered under local or state planning provisions to stimulate certain types of development. For example, a Density Bonus and Fast-tracked Development Approval could be provided to encourage Affordable Housing projects.	Urbanista
Planning Mechanisms	Ways of applying planning powers specifically to promote affordability and accessibility. Measures identified as planning mechanisms generally fall into three groups: (1) Voluntary mechanisms which offer some kind of incentive to include or maintain affordable housing, (2) Mandatory requirements that make inclusion of affordable housing a prerequisite for development, and (3) Impact fees to offset the loss of existing affordable housing.	Urbanista
Public Housing	Social housing that is owned and operated by public agencies. In New South Wales the Land and Housing Corporation or the Aboriginal Housing Office hold title to public housing stock (some of which is managed by Community Housing Providers). (See Community Housing)	Urbanista

Glossary Term	Definition	Source
Residual Land Value	The assessed value of land calculated by deducting all costs associated with developing the land (except the land component) from the projected revenue from sales of completed development.	Urbanista
Rooming house	Comprises individually let rooms primarily for single people, usually with some shared facilities. Individual rooms may or may not have kitchenette and bathroom facilities. Also referred to as a Boarding House .	Urbanista
Shared Equity	Arrangements in which the resident and another (public, community or private) investor share ownership of the property. Also known as Shared Ownership.	LGHK
Social Capital	Policies and programs designed to promote well-developed social networks and higher levels of trust and reciprocity in communities.	LGHK
Social Housing	Forms of subsidised housing, usually rental, for designated households. (See Public Housing, Community Housing, Indigenous Community Housing)	
Socioeconomic Disadvantage	Typically relates to limitations in family wealth, social resources, education, geographic location and income. The ABS defines socioeconomic disadvantage in terms of “people’s access to material and social resources, as well as their ability to participate in society”, with the most disadvantaged having the poorest access. Measurement is complex as the concept relates to the characteristics of individuals and their families, but indicators are generally at a societal/ regional levels. Socio-Economic Indexes for Areas (SEIFA) is a product developed by the ABS that ranks areas in Australia according to relative socio-economic advantage and disadvantage.	Urbanista ABS
Special Infrastructure Contribution (SIC)	Scheme administered by the Dept. of Planning, Industry and Environment to help fund regional infrastructure through the development process. For example, a scheme to partially fund roads and land required for social infrastructure such as schools, health care and emergency services. They may also fund some of the costs of planning and of offsetting biodiversity impacts. SICs are imposed by Ministerial Determination.	Urbanista
Special Needs Households	Households with personal characteristics that need to be taken into account in designing and/or providing housing, such as different forms of disabilities or cultural needs.	LGHK
State Environmental Planning Policy (Affordable Rental Housing) 2009 (ARHSEPP)	Policy intended to facilitate the supply and diversity of affordable rental and social housing. It contains a range of provisions to encourage and protect housing types including villas, townhouses and apartments that contain a component of affordable rental housing, along with secondary dwellings, new generation boarding houses, group homes, social housing and supportive accommodation.	NSW Government

Glossary Term	Definition	Source
State Environmental Planning Policy 70 – Affordable Housing (Revised Schemes) (SEPP 70)	SEPP 70 is the instrument through which nominated councils in the Greater Metropolitan Region are empowered to utilise the provisions of Division 7.2 of the <i>Environment Planning and Assessment Act</i> entitled “Affordable housing contributions”. Section 7.32 of that Division allows land or monetary contributions to be required for affordable housing under conditions of development consent “if a State environmental planning policy identifies that there is a need for affordable housing within the area”.	Urbanista/ NSW Government
State Significant Precincts	Areas with state or regional planning significance because of their social, economic or environmental characteristics. Typically large sites with government-owned land, they are important for the delivery of housing, jobs, and in some cases preservation of environmental or heritage characteristics. Amendments to the zones and planning controls for State Significant Precincts can be made through a State Environmental Planning Policy , and will usually amend the Local Environmental Plan . This can be approved by the Minister for Planning for any matter that the Minister considers to be of state or regional planning significance.	Urbanista
Subsidy Gap	The subsidy gap for affordable housing is calculated by subtracting rent paid by a household receiving subsidised housing from the cost of providing that housing. (See Affordability Gap)	Urbanista
Supportive Accommodation	“Permanent, secure accommodation in self-contained apartments, together with on-site support services (such as counselling and life skills development) for people making the transition from supported living or homelessness to fully independent living. It is generally operated by non-for-profit organisations and charities for those requiring support.”	DPIE
Sustainable Development	Development that meets the needs of current and future generations through an integration of environmental protection, social advancement and economic prosperity.	WA Government
Sweat Equity Schemes	Housing projects where residents assist in construction and related development, in return for a reduced purchase price.	LGHK
Target Group	Specific group for which a housing program or project is intended.	LGHK
Torres Strait Islander	People who identify as being of Torres Strait Islander origin. “Torres Strait Islanders are the descendants of the Indigenous people of the Torres Strait, between the tip of Cape York and Papua New Guinea.” (See Indigenous Australian)	ABS
Upzoning	Change in planning controls that enables an intensification of development, for example through an increase in permissible Floor Space Ratio .	Urbanista
Value Capture	Capturing the increased value of property created by government policies and investment (e.g. through upzoning and transport augmentation) and diverting some or all of this to offset costs (both direct and indirect) and optimise the benefits of those policies and investment.	Urbanista

Glossary Term	Definition	Source
Value Sharing	Where an increase in the value and/or potential of land arising from a rezoning or relaxation of other planning requirements or public investment in infrastructure, the value of the increase is shared by the land owner/developer and the community, e.g. through a contribution to affordable housing. In practice, value sharing is similar to Inclusionary Zoning .	Urbanista
Voluntary Planning Agreement (VPA)	Agreements between consent authorities and developers intended to deliver infrastructure outcomes alongside development proposals. They typically require the provision of a public benefit, such as public open space, affordable housing or community facilities, in return for a development benefit, such as increased density on a given site.	Urbanista



Download your copy of the **Local Government Housing Kit** from the Department of Communities and Justice website:

<https://www.facs.nsw.gov.au/resources/nsw-local-government-housing-kit>

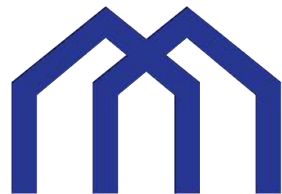




Guide for Local Councils

The Delivery of Affordable Housing

POLIS PARTNERS



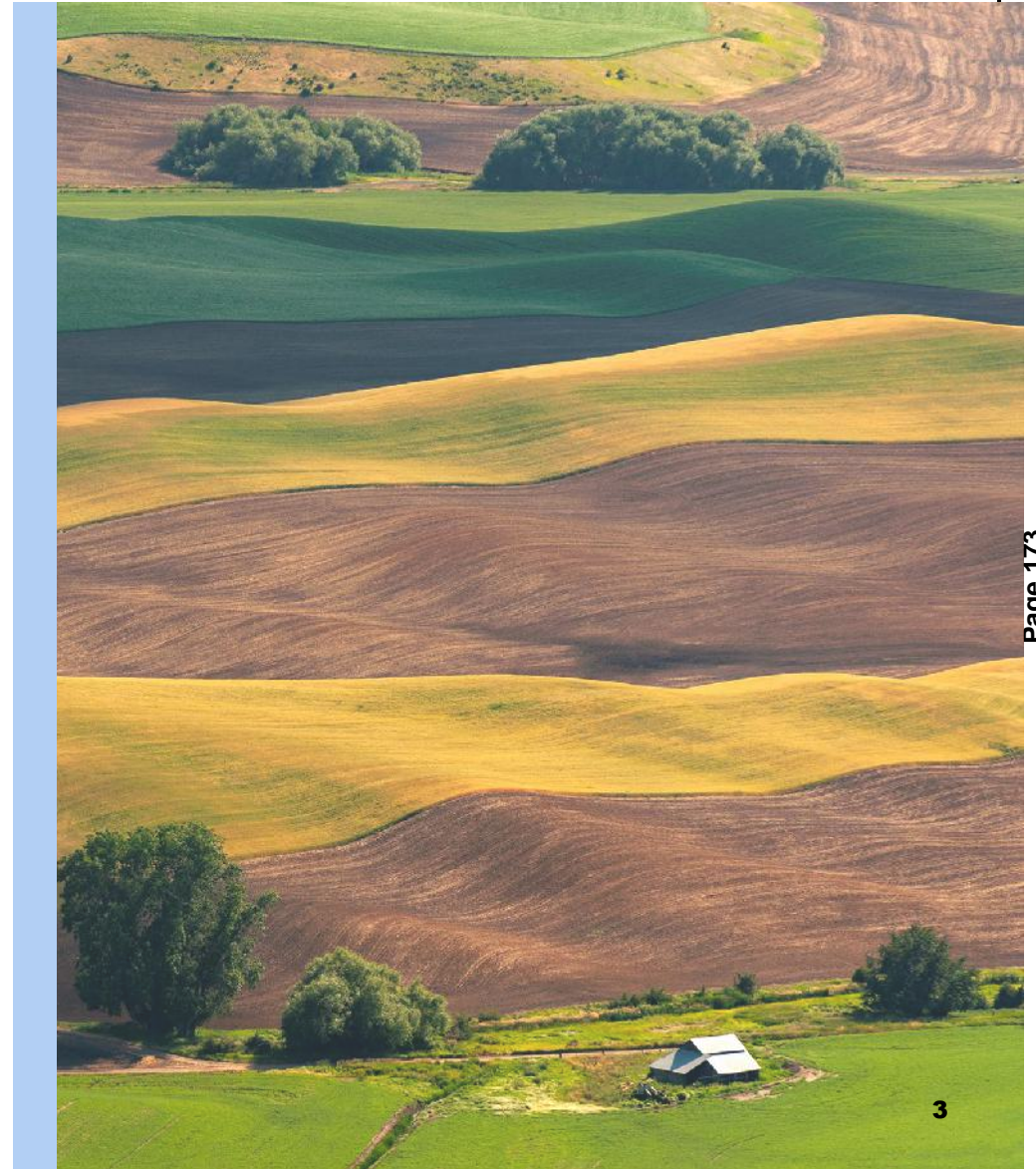
Housing Australia

Disclaimer: This document is intended as a general guide only. While every effort has been made to ensure its accuracy at the time of publication, no representation is made as to its completeness or suitability for specific circumstances. The authors accept no liability for any loss or damage arising from reliance on this document. Councils should seek their own legal, planning, and financial advice before proceeding with any housing initiatives

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Our team would like to pay our respects to our ancestors and Elders, past and present who are our knowledge holders. We acknowledge our Aboriginal and Torres Strait Islander young people who are our future leaders. We acknowledge and pay respect to those who have gone before and recognise their deep and lasting contributions.



Introduction

Australia is facing a national housing crisis, with demand outpacing supply having a significant impact on housing accessibility and affordability across the country. In response, all levels of government are exploring new mechanisms to combat this, including increases to the supply of social and affordable housing.

Local governments are increasingly identifying opportunities to support housing outcomes, through land, planning support, and partnerships, alongside state and federal efforts. While not mandated to deliver housing, councils may seek to play a meaningful role where it aligns with community priorities and capacity.

We acknowledge that this report was made possible with the support of Housing Australia. It aims to assist councils in understanding and navigating their potential role in delivering affordable housing. The guide outlines a range of practical measures and processes that councils can adopt to help achieve this goal.

It provides practical insights and strategies to help councils build partnerships, access funding, and contribute meaningfully to housing outcomes.

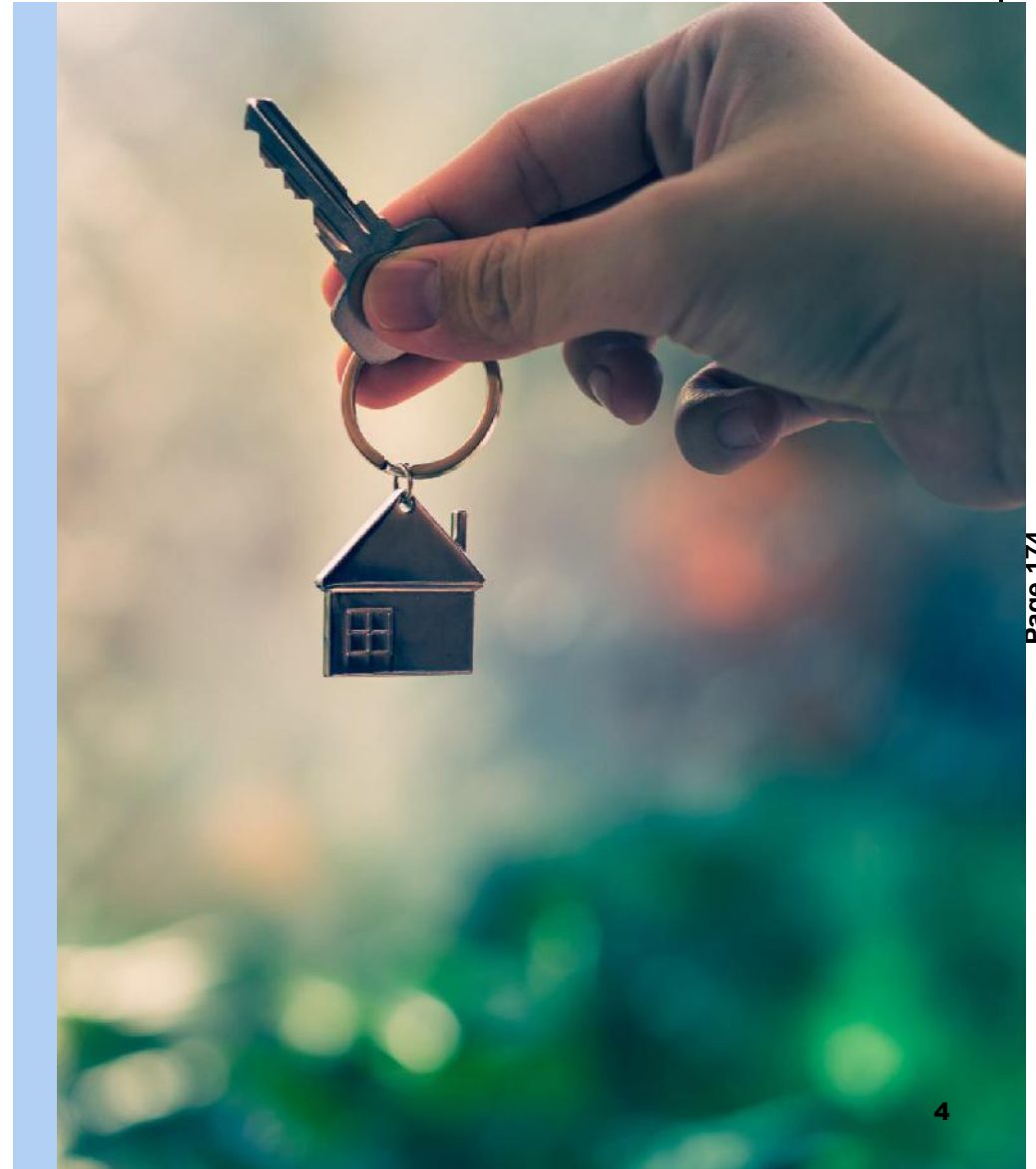
Prior consultation and engagement

To inform the development of this guide Australia Community Housing (ACH) and the Australian Local Government Association (ALGA) worked together to gather insights from across the sector.

This included a national survey of local councils to understand:

- current affordable housing activity and initiatives
- key barriers to council involvement
- existing relationships with Community Housing Providers (CHPs)
- areas where councils seek further guidance or support.

In addition to this consultation, the guide draws on existing research and evidence, including work by Community Housing Industry Association (CHIA) NSW that explores the various ways local councils are already delivering affordable housing. These are referenced in Section 3 of this report.



Purpose of this Guide

What is this Guide for?

This document is intended to be a guide only, and councils will still need to work within the legislative boundaries as set by state and territory governments. This guide is designed to help you (as local government professionals) and your council better understand the different ways local governments can support the delivery of affordable housing. It gives you a practical overview of the tools available, from less intensive interventions to more involved delivery, and how other councils have used them to deliver on the ground results.

This document will help you:

- see the full range of delivery options at a community's disposal
- learn what has worked in other councils through real case studies
- understand what kinds of resources or partnerships you'll need
- figure out what lever(s) might be right for your council.

Context and Intent

We've built this as a practical guide. It is not a policy, legal or financial manual. It's not designed to give you detailed statutory planning advice, technical feasibility assessments, or definitive interpretations of land law. This is intended to be only a first step in the journey in which you will need to bring in specialist support to assist along the way.

How this guide fits into the bigger picture?

This guide is part of a broader initiative supporting communities to access social and affordable housing.

To support the guide's implementation, ALGA held an event featuring a panel discussions. This explored the guide's key themes, offer practical insights, and encourage dialogue around local challenges and opportunities.

What to do next?

When you've finished reading this guide, your next steps might be to:

- identify the most effective ways your council can support delivery of community housing stock
- starting internal conversations (whether you're a staff member briefing councillors, or a councillor engaging with your community or local CHPs) about what's involved, why it matters, and what challenges might arise.
- look at the common hurdles other councils have faced and how they've tackled them, and see what might work for you
- spot any knowledge gaps in your team and make use of the tools and resources that are available to help.

What is included in this Guide?

This guide walks you through the different ways councils can support the delivery of affordable housing, from light-touch advocacy all the way to direct development. We've grouped these into five key levers, ordered by the level of capital and involvement typically required.

Section 1 provides a snapshot of what councils told us through the national survey, offering insights into current affordable housing activity, the common challenges councils are facing, and the types of support they've identified as most needed. This helps to establish a shared understanding of where we are now, and reinforces that councils are not alone in navigating these issues.

Section 2 provides a deeper look at each potential council lever available to councils to support the delivery of affordable housing. For each one, you'll find:

- practical detail on how it works
- what conditions you'll need in place to make it work
- a council case study showing what it looks like in action.

This structure is designed to help you get oriented quickly, dive deeper into areas you're interested in, and bring real-world insight into your next housing conversation.

In Section 3, you'll find additional tools and tables to help guide you in the use of various levers.

What is Affordable Housing?

Affordable housing refers to housing that is suitable for low to moderate income households and priced so that these households can also meet other essential living costs, such as food, transport, healthcare, and education.

A commonly accepted benchmark is that housing is affordable when it costs less than 30% of gross household income for households in the lowest 40% of income distribution.

In practice, affordable rental housing is often provided at a discount of at least 20–25% below market rent. For example, some providers set rents at no more than 75% of the prevailing market rate, ensuring tenants are not placed in housing stress and can maintain a decent standard of living.

Affordable housing is also vital to support essential workers on lower incomes — for example nurses, teachers, aged care staff, and emergency personnel—whose roles underpin community safety, wellbeing, and continuity of services. When considering housing affordability, it's equally important to examine housing diversity.

We're in this together

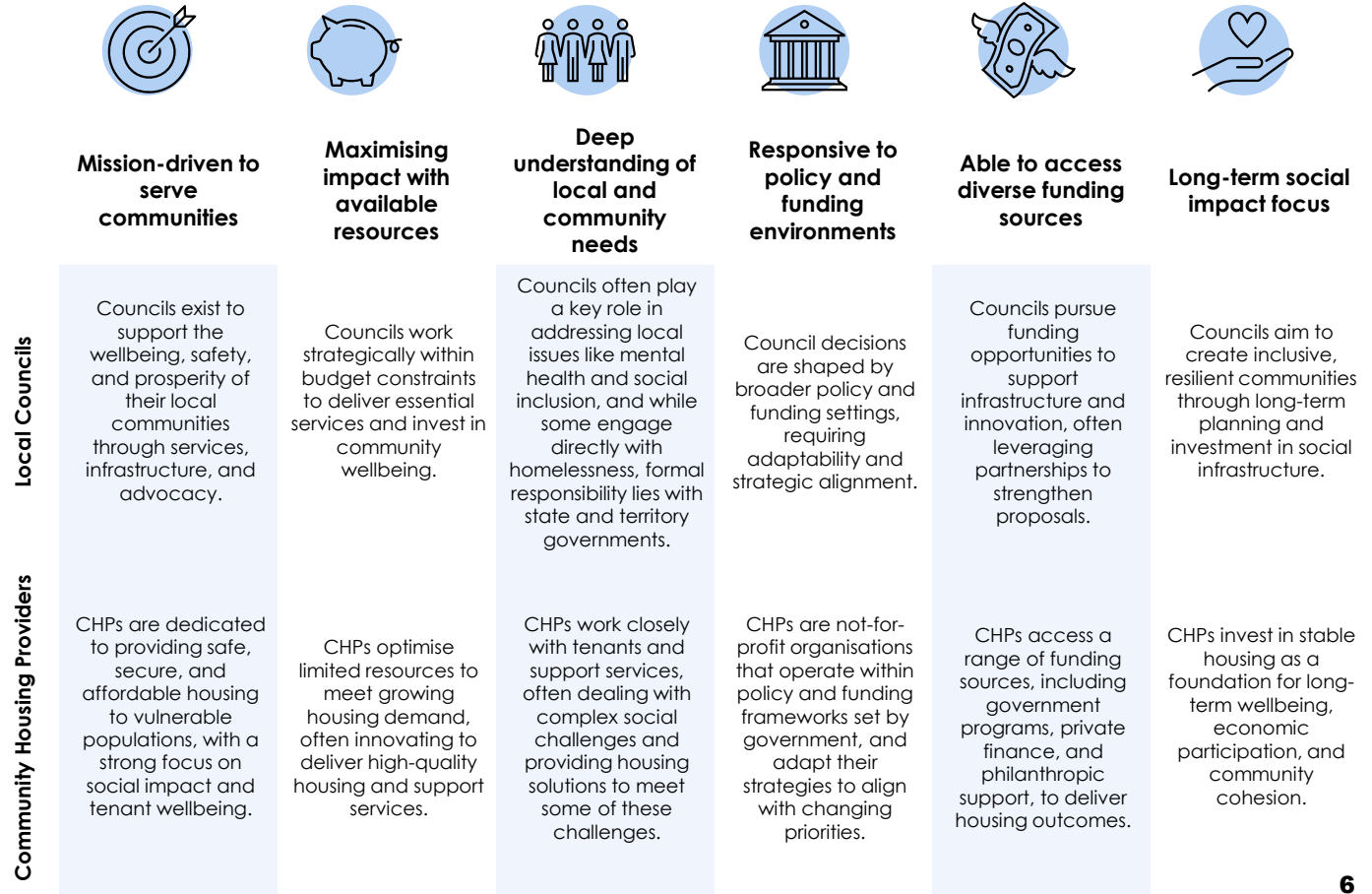
Shared Purpose, Shared Challenges

In exploring how councils can support affordable housing, it's essential to recognise the role of Community Housing Providers (CHPs). CHPs are not just service providers, they are long-standing, not-for-profit mission-driven organisations with deep expertise in delivering housing for those most in need. When councils and CHPs work together, they bring complementary strengths to the table:

- councils with their local knowledge, planning powers, and community trust
- CHPs with their housing delivery capability, tenant support services, and sector experience.

While their roles may differ, councils and CHPs share a striking number of similarities. Both are deeply committed to improving community wellbeing, both operate under significant resource constraints, and both must navigate policy and funding environments largely shaped by state and federal governments. They are on the front lines of social need, responding to complex challenges with limited tools. Recognising this shared ground is the first step toward building stronger, more effective partnerships, and shifting the narrative from critique to collaboration.

The following graphic highlights the shared purposes and shared challenges CHPs and local councils face.





Section 1: Current state of the market

National Survey Insights

What councils told us

A national survey was distributed to all local councils across Australia, with 117 councils (22%) responding. The survey was conducted to better understand how local governments are engaging in the delivery of social and affordable housing. The survey explored barriers to participation, current levels of activity, and the types of support that would enable more effective collaboration between councils and CHPs. The findings reveal several persistent challenges, including gaps in awareness, capacity, and funding as well as clear areas where councils are seeking practical assistance to strengthen their role in housing delivery.

Theme 1: Awareness gaps are limiting access to funding

Despite growing interest in housing delivery, many councils remain unaware or underprepared to engage with available programs:

- one in five councils had never heard of Housing Australia Future Fund (HAFF)
- more broadly, 41% of councils reported never having participated in any government housing funding program.

These figures suggest that even councils facing acute housing need often lack the visibility, internal capacity, or institutional knowledge required to act on funding opportunities.

Theme 2: Land contributions are happening—but not without friction

More than half of surveyed councils reported using council-owned land to support affordable housing outcomes. However, these contributions are often complex and politically sensitive.

Councils cited very valid challenges such as internal resistance, valuation uncertainty, and concerns about “giving away” public assets. Even where land is available, activating it for housing typically requires dedicated staff time, legal structuring, and financial modelling—resources that many councils lack.

Theme 3: CHP partnerships exist—but are not always working

While 64% of councils reported having a relationship with a CHP, only 34% had collaborated on a joint project.

Councils described barriers such as unclear engagement pathways, mismatched expectations, and limited internal capacity to structure or manage formal agreements. Many expressed a need for model agreements, clearer governance frameworks, and practical guidance to support partnership development and delivery.

Theme 4: Councils know what support they need

Despite the barriers, councils were clear about the types of support that would help them play a more active role.

Top priorities included:

- funding for enabling infrastructure,
- clearer land contribution models,
- simplified grant processes, and
- improved partnership frameworks with CHPs.

Councils also called for training on legal, financial, and delivery models suited to the local government context, and for funding criteria that better reflect council capacity and constraints.

Survey Key Insights

Councils are currently engaging with affordable housing in different ways, depending on their context and capacity



60% prioritise affordable housing in their **Strategic Plan**



39% have developed a specific **Housing Plan**

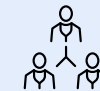


25% have established **partnerships* with CHPs**



22% have **committed funding** towards housing projects

**An established partnership differs from a relationship or a collaboration as it assumes a formal, strategic alliances.*

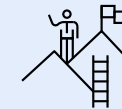


64% reported having a **relationship with CHPs**. Only 34% reported having done a joint project or **collaboration with a CHP**

The barriers councils experienced with the Housing Australia Future Fund highlight common challenges that many local governments face more broadly.



55% Lack of available **council capacity** to complete applications



53% Lack of **council expertise** in affordable housing delivery



42% have **insufficient funding** to contribute to affordable housing project



32% of councils raised concerns about **using council land**, citing community opposition, bureaucratic complexity, and financial pressure from ratepayers against low-cost land provision.

National Survey Insights Diverging needs & roles

The survey revealed that while councils across Australia share many of the same challenges, their roles, needs, and approaches to affordable housing vary significantly depending on geographic context. These differences have important implications for how support, funding, and partnerships should be structured.

Affordable housing ranked as higher priority by non-metro councils

Councils in regional and rural areas consistently rated affordable housing as a higher priority than their metropolitan counterparts. This reflects both the severity of local housing pressures and the limited presence of private market solutions. In many cases, councils see themselves as the only actor capable of initiating or enabling delivery.

CHP partnerships are more common in regional and rural councils but not always effective

Regional and rural councils are more likely to have formal relationships with CHPs, but also more likely to report barriers to effective collaboration. These include geographic distance, limited CHP presence, and a lack of shared delivery frameworks. Councils expressed a need for clearer partnership models and more consistent engagement from providers.

Delivery roles differ by geography, with non-metro councils participating more directly

Metropolitan councils are more likely to focus on enabling roles, such as planning, zoning, and policy reform, while regional and rural councils are more often directly involved in delivery. This includes contributing land, coordinating infrastructure, or leading funding bids. These roles are often taken on out of necessity, not preference.

Comfort with land use varies significantly, with metropolitan councils more reluctant to use council owned land

Councils in regional and rural areas reported higher levels of comfort using council-owned land for affordable housing, reflecting both a stronger perceived mandate and fewer alternative delivery pathways. Metropolitan councils, on the other hand, were more likely to express concern about probity, valuation, political optics, and the limited availability of land. In many cases, metro councils may also be hesitant to divest valuable assets due to competing priorities and higher land values, whereas non-metro councils often view land use as a practical necessity.

Infrastructure and capacity are constraints for regional and rural areas

While planning reform is often seen as the key lever in metro areas, regional and rural councils identified infrastructure gaps and limited internal capacity as the primary barriers to delivery.

While metropolitan councils often focus on planning reform, many also flagged infrastructure funding gaps and limited internal resources. Councils called for early-stage funding, support for enabling works, and tailored guidance that reflects their scale and capacity.

Survey Key Insights

Metropolitan councils primarily see their role in affordable housing as one of enabling delivery

Through planning provisions, policy settings, and social program support. In contrast, regional and rural councils are more likely to identify their role as one of direct involvement, including contributing land, coordinating infrastructure, and leading delivery efforts.

Where do you see the local government's most critical role in delivering social and affordable housing?

Role	Metro	Regional	Rural
Planning provision	81%	82%	78%
Direct involvement	29%	48%	56%
Social programs	57%	21%	22%
Trunk infrastructure	14%	30%	47%



50% of rural councils and **46%** of regional councils have used council-owned land for housing delivery. Only **14%** of metro councils reported using council-owned land.

A photograph of five wooden house models of varying sizes and styles, including a tall apartment-style building, arranged on a dark wooden surface. The background is a blurred green landscape. A diagonal line divides the image from the top-left to the bottom-right.

Section 2: Local government affordable housing delivery options

Local government affordable housing delivery options






















Councils should identify where they can best support, from advocacy through to direct development and ownership.

Councils across Australia are increasingly exploring how they can support affordable housing in response to local needs and broader system gaps. While local government is not the primary housing provider, councils can be well-placed to contribute.

Consultation revealed five broad levers that councils can use to support affordable housing; ranging from low-capital options like building support, through to direct delivery. While shown as a progression, you don't need to use every lever. You can pick and combine approaches that make sense for your council's context, resources, and goals.

However, it's often helpful to start with Lever 1: Building community support & strategic partnerships. This lays the groundwork, helping you build internal momentum, develop partnerships, and better understand your local housing landscape.

The preconditions row indicates whether community support, land, funding, planning authority, or partnerships are essential or merely beneficial.

	Low Intervention Levers			High Intervention Levers	
Description	 <p>1. Building community support & strategic partnerships</p> <p>Councils play a vital role in building support for affordable housing, not only within their communities, but also across government and industry.</p>	 <p>2. Planning & policy levers</p> <p>Councils shape private development outcomes through planning policy.</p>	 <p>3. Financial incentives & subsidies</p> <p>Councils provide financial or in-kind support to improve project viability, primarily through one-off, transactional measures. These reduce costs for developers or CHPs but do not involve ongoing council control or asset ownership.</p>	 <p>4. Land-based contributions</p> <p>Councils use publicly owned land to enable affordable housing. These interventions often have the greatest impact — and carry the most strategic weight.</p>	 <p>5. Direct delivery & ownership</p> <p>Councils take direct responsibility for development, ownership, of affordable housing.</p>
Delivery mechanisms	<ul style="list-style-type: none"> a) Strategic leadership and agenda-setting b) Community education and political support-building c) Stakeholder coordination 	<ul style="list-style-type: none"> a) Affordable Housing Contribution Schemes b) Voluntary Planning Agreements (VPAs) and / or Planning incentives c) Streamlined DA approval d) Planning system settings 	<ul style="list-style-type: none"> a) Fee waivers and reduced contributions b) Cash grants c) Enabling infrastructure contributions 	<ul style="list-style-type: none"> a) Land sale – transferring council land at a discounted or full value. b) Land lease – retaining ownership and leasing land under long-term arrangements. 	<ul style="list-style-type: none"> a) Acquisition of existing properties b) Council-led development
Preconditions	 <p>Community support strengthens partnerships and influence. While not a technical requirement, it aligns with councils' role in serving their communities.</p>	 <p>Community support is required</p>  <p>Partnering with Housing Provider would be helpful but not essential</p>  <p>Private Sector Interest is essential for planning and policy levers to work effectively</p>	 <p>Community support is required</p>  <p>Partnering with Housing Provider would likely be required.</p>  <p>Private Sector Interest Requires private sector see value in affordable housing delivery</p>  <p>Council will need some funding capacity to deliver any financial incentive.</p>	 <p>Community support is required</p>  <p>Partnering with Housing Provider would likely be required</p>  <p>Council may need some funding capacity to deliver</p>  <p>Council would need access to available land to make this option feasible</p>	 <p>Community support is required</p>  <p>Partnering with Housing Provider would be beneficial & preferred</p>  <p>Council will need the funding capacity to deliver</p>  <p>Council would need access to available land to make this option feasible</p>



1. Building community support & strategic partnerships

Councils can build momentum for housing by engaging communities and forging strategic partnerships

Overview

Councils play a leadership role in building support for affordable housing within their communities and across government. While they may not directly deliver housing, they can influence outcomes by coordinating stakeholders, setting strategic direction, and championing local needs.

Strong advocacy lays the groundwork for success. Councils that set clear priorities, build relationships, and pursue grants can enter project-level conversations with credibility. Community support grows when housing needs are well-understood, backed by strategies, and already being acted on.

Council actions are also shaped by state government requirements, which set the planning, funding and delivery framework. These can shift rapidly, requiring councils to adjust to remain compliant and aligned.

When to use this lever

This lever is most appropriate when:

- you are at early stages of engaging in housing delivery
- you do not own developable land
- you lack dedicated housing funding streams
- you are seeking to build organisational knowledge or community support.

This lever also applies to councils actively preparing for future higher-level interventions.


Survey insights: What councils are already doing

60% of councils surveyed said affordable housing is a priority in their strategic plans, with **39%** indicating they had specific housing plans developed.

When asked where do you see local government most critical role in delivering affordable housing, most responses indicated that local government main role was in advocacy and facilitation of partnerships rather than any direct involvement.

“Council’s role is primarily facilitative — bringing parties together and pushing for appropriate policy settings.”

Preconditions

 **Community support** strengthens partnerships and influence. While not a technical requirement, it aligns with councils’ role in serving their communities.

Delivery Mechanisms	Description	Example outputs
a) Strategic leadership	Positioning affordable housing as a policy priority in local strategic planning documents, broader community vision statements, or dedicated housing strategies.	Inclusion of affordable housing targets, published Affordable Housing Action Plan and Housing Strategies
b) Community education and political support	Building awareness and acceptance among residents and elected members to foster support for future delivery.	Local forums, explainer videos, myth-busting communication material; housing included as a standing agenda item.
c) Stakeholder coordination / facilitation role	Acting as a connector between CHPs, developers, government agencies, and other councils.	Regular engagement meetings, joint housing working groups, submission facilitation.
d) Government advocacy and funding mobilisation	Advocating to state and federal governments for policy reform, funding programs, or planning flexibility. Supporting or coordinating grant applications with CHPs. Peak bodies such as ALGA and state/territory Local Government Associations play a key role in amplifying council voices.	Joint funding submissions, state-level advocacy strategies, references in housing policy reform proposals or advocacy on renewal of existing concentrations of social housing.
e) Partnership activation	Moving from informal relationships with CHPs to formalised project partnerships. This involves identifying shared goals, aligning timelines, and developing governance or delivery frameworks to support joint action.	Memorandum of Understanding (MoU), joint project scoping documents, co-authored funding applications, or formalised delivery agreements.



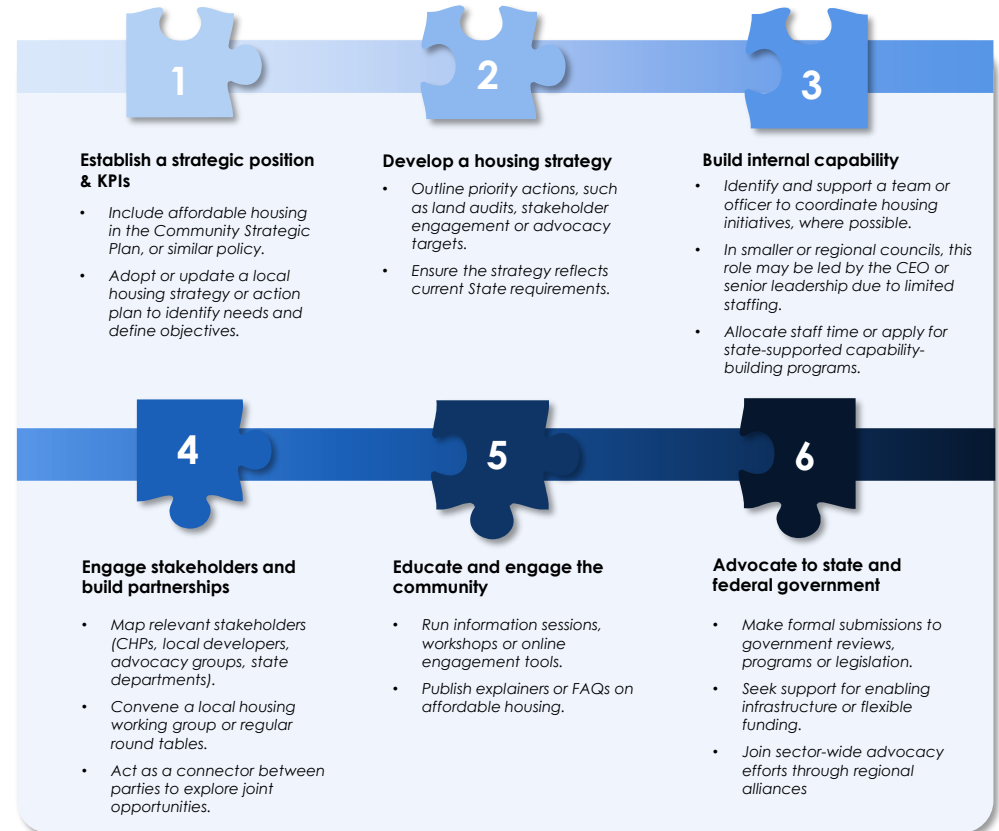
1. Building community support & strategic partnerships

Councils can build momentum for housing by engaging communities and forging strategic partnerships

Key benefits and risks

Key benefits	Key risks
<ul style="list-style-type: none"> • Strategic values: provides a structured starting point to define council's role and priorities and KPIs in housing and positions council to engage in more advanced interventions over time. • Resourcing and feasibility: does not require capital or land, making it achievable for councils with limited financial resources. This can be progressed without formal delivery structures or development expertise. • Futureproofing: improves readiness for future funding opportunities by clarifying intent and setting direction. • Stakeholder engagement: helps foster stronger relationships with CHPs, developers, state agencies and the community demonstrates leadership and builds credibility as a housing facilitator. • Community and political benefit: increases transparency and community awareness of housing needs and can build community support over time through education and engagement. • Delivery and long-term impact: creates momentum for future housing initiatives by laying foundational work. 	<ul style="list-style-type: none"> • Changing State requirements: Rapid policy or legislative changes at state level can alter council priorities, resourcing needs and delivery timeframes, and may require strategy revisions. • Lack of implementation: strategies or plans risk becoming symbolic if actions are not actively pursued or resourced. • Dependency on others: outcomes rely on CHPs, state government and developers choosing to invest—council cannot deliver housing alone through advocacy. • Limited internal capacity: many councils lack dedicated staff or budget to support relationship-building and strategic follow-through. • Reputational risk: public commitments in strategies can damage credibility if progress is not reported or delivered. • Community resistance: without early engagement, future housing projects may face opposition or delays. • Measurement challenges: councils may struggle to track or demonstrate the impact of advocacy alone, making it harder to build political or financial support.

Pieces of the puzzle



CASE STUDY Shoalhaven City Council, NSW



Background & key challenges

In 2017, Shoalhaven City Council kicked off its Affordable Housing Strategy to respond to rising housing stress—with over 4,000 households experiencing stress, and more than 2,000 in need of affordable options.

At the time, the council faced a few common roadblocks:

- **Limited developable land:** The council did not own significant parcels of land suitable for housing development.
- **Resource constraints:** There weren't dedicated funding streams or internal capacity to take on delivery directly.
- **Community opposition:** Early efforts hit pushback from locals concerned about the impact of affordable housing.

Initial role: Building support & partnerships

To get started, the council leaned into what it could influence through strategy and coordination:

- **Strategic planning:** Developed and adopted the Affordable Housing Strategy, setting clear objectives and identifying potential actions.
- **Stakeholder engagement:** Collaborated with Southern Cross Community Housing (SCCH) and other stakeholders to align efforts and build partnerships.
- **Community engagement:** Conducted forums and information sessions to educate the community and build support for affordable housing initiatives.

Key outcomes

Shoalhaven City Council's *Affordable Housing Strategy* combined high-level directions—such as rezoning and advocacy to state government—with practical, place-based actions. These included the dedication of council-owned land at Coomea Street in Bomaderry for affordable housing development, as well as the identification of other potential council and publicly owned sites for future delivery.

Importantly, once land was allocated, the council was better positioned to partner with a local CHPs and unlock funding from multiple sources, including the Council, the NSW Government, and the CHP itself.

This is a good example of how you can start with building support networks (Lever 1) and move toward more delivery-oriented levers.

Project details






Location Coomea Street, Bomaderry, NSW	Number of dwellings 39 affordable houses
Initiated 2017	Completed 2024
Delivered by: Southern Cross Community Housing	Managed by: Southern Cross Community Housing
Land provided by: Shoalhaven City Council	Funded by: Shoalhaven City Council NSW DCJ & SCCH

Key takeaways

If you don't have land, capital or development expertise, that's OK—you can still play a key role by laying the groundwork for housing delivery for your constituents in your area.

Building support is not passive—it's a deliberate, structured approach that builds the relationships and political capital needed for deeper involvement in future.

COUNCIL LEVERS

 1. Building community support & partnerships	<ul style="list-style-type: none"> • Developed an Affordable Housing Strategy (2017) • Built relationships with SCCH and DCJ
 2. Planning & policy levers	<ul style="list-style-type: none"> • Included affordable housing in strategic planning documents • Re-zoning and urban centre prioritisation through the Strategy
 3. Financial incentives & subsidies	
 4. Land-based contributions	<ul style="list-style-type: none"> • Forgone land sale revenue by contributing land (value \$2.2M) • Enabled layered funding from council, SCCH and DCJ
 5. Direct delivery & ownership	

Source: Community Housing Industry Association NSW. (n.d.). Case study: Shoalhaven City Council and Southern Cross Community Housing – Coomea Street, Bomaderry. CHIA NSW.

2. Planning & policy levers

Use planning tools to make delivering affordable housing easier

Overview

Councils can use their statutory planning powers to influence the delivery of affordable housing. These mechanisms enable councils to shape private development outcomes through inclusionary requirements, planning incentives, or negotiated agreements such as Voluntary Planning Agreements (VPAs).

This lever does not require councils to contribute land or capital but does require strong policy frameworks, planning staff capability, and political commitment. Councils can play a significant enabling role, especially in high-growth or redevelopment areas.

When to use this lever

This lever is most appropriate when:

- you have strong or growing private development housing pipeline
- you have strong political support within council for affordable housing mandates or negotiations
- you have the capacity to embed requirements into LEPs, DCPs, or VPAs.

Survey insights: What councils are already doing

Planning provisions are seen as the most critical local government lever. When asked to identify council's most important role in supporting social and affordable housing, **74%** of respondents nominated planning provisions.

Planning roles are also reflected in councils' past involvement in housing projects. Nearly one-third of councils (**30%**) reported having been involved through a planning agreement (such as a VPA), and **19%** had contributed via rezoning approvals.

Preconditions



Community buy-in is more essential with early engagement allowing for greater collaboration opportunities with CHP partners.



Partnering with housing provider including CHPs, private developers, and state/territory government agencies. Early engagement with a capable housing provider helps ensure feasibility but not a requirement.



Private sector interest or participation: The effectiveness of planning levers often depends on having willing private sector partners who see value in affordable housing delivery.

Delivery Mechanisms	Description	Key features
a) Affordable housing contribution schemes	Councils use planning instruments or formal schemes to apply fixed contribution requirements, typically triggered by development in designated areas. Contributions may involve a percentage of dwellings, land, or cash, informed by local housing needs, feasibility, and policy settings. In some cases, developers provide cash in lieu of on-site affordable housing. These contributions, though set through planning, can be pooled and strategically directed toward enabling infrastructure or future housing delivery.	<ul style="list-style-type: none"> - Uniform, area-based - Triggered by policy - Not negotiated
b) Planning agreements with developers	Site-specific agreements negotiated during rezonings or large DAs. In return for additional development rights (e.g. height or density uplift), developers voluntarily offer a public benefit such as gifting land, delivering affordable dwellings, or contributing funds. These agreements are bespoke and often tied to significant development changes.	<ul style="list-style-type: none"> - Individually negotiated - Linked to rezonings - Terms vary
c) Planning incentives	Councils embed planning bonuses in their local planning frameworks to reward affordable housing delivery. Developers who include affordable housing can access greater design flexibility, additional floor space, or other incentives. These provisions are not negotiated individually but apply consistently to eligible developments.	<ul style="list-style-type: none"> - Opt-in - Consistent rules - No negotiation
d) Prioritised DA assessment	Councils fast-track eligible affordable housing DAs to reduce holding costs and delays. Prioritisation may be based on eligibility criteria such as project size, delivery model, or partnership with a CHP.	<ul style="list-style-type: none"> - Processing tool - Reduces risk/delay - Supports viable delivery
e) Planning system settings that support feasibility	Councils can improve the viability of affordable housing by reviewing planning controls that affect development feasibility while ensuring adverse amenity impacts for the community are avoided	<ul style="list-style-type: none"> - Uniformly applied

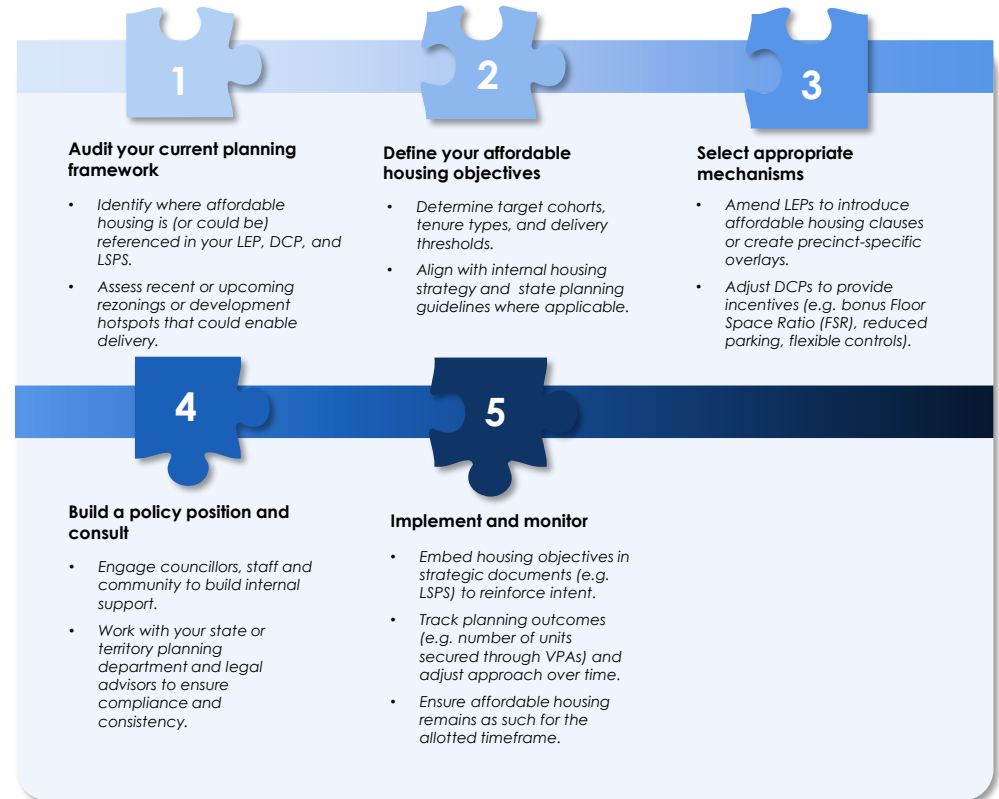
2. Planning & policy levers

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Key benefits and risks

Key benefits	Key risks
<ul style="list-style-type: none"> • Low-cost, high-leverage tool: Leverage existing council powers without requiring direct capital investment and shape development outcomes across multiple sites or precincts overtime. • Enables scalable delivery and flexibility: planning controls can apply across the LGA, unlocking longer-term supply and provides flexibility to negotiate site-specific outcomes through VPAs. • Creates market certainty: clear policy settings gives developers confidence and signals intent to CHPs, developers and the community. • Drives alignment with state/federal objectives: allows council to embed housing priorities into statutory planning frameworks. • Supports negotiated outcomes: VPAs offer flexibility to secure affordable housing in exchange for uplift or zoning benefits and helps councils secure public value in redevelopment or rezoning processes. 	<ul style="list-style-type: none"> • Time and complexity: amending LEPs or DCPs is a lengthy process requiring consultation and state approval and can be resource intensive and politically contested. • Legal and probity risks: without a clear policy framework (e.g. VPA guidelines or inclusionary targets), negotiated planning outcomes may be viewed as inconsistent or unfair. This can undermine community trust, trigger developer uncertainty, and raise probity concerns around how planning concessions are exchanged for affordable housing contributions. • Uncertain delivery outcomes: planning tools don't guarantee affordable housing will be delivered as developers may resist or seek to offset to offset inclusionary requirements. Additionally, the housing product type, tenure, and affordability levels may not align with council intent unless clearly specified. • Community opposition: zoning changes or increased density can trigger community pushback. The perceived trade-offs (e.g. height for affordability) may be contentious.

Pieces of the puzzle



CASE STUDY: Randwick City Council, NSW



Source: Randwick City Council, (2023b). Randwick City Affordable Rental Housing Strategy 2023–2032.

Background & key challenges

Randwick City, located in Sydney's Eastern Suburbs, faces significant housing affordability challenges. With high property values and a limited supply of affordable rental options, lower-income households struggle to live and work locally. The council recognised the need to facilitate affordable housing, especially for lower-income households, to maintain a socially diverse and inclusive community.

Council's Role: Strategic Planning & Policy Reform

Randwick City Council has implemented a comprehensive planning and policy framework to address housing affordability:

- **Affordable Housing Strategy:** Adopted in 2007, this strategy outlines the council's commitment to affordable housing and provides a framework for implementation.
- **Affordable Housing Policy:** This policy guides the council's use of planning powers under the Environmental Planning and Assessment Act to assist in the provision of affordable housing.
- **Affordable Housing Contributions Scheme:** Under the Randwick Local Environmental Plan (LEP) 2012, developers are required to contribute to affordable housing in specific areas, such as the Kensington and Kingsford town centres and Housing Investigation Areas. Contributions can be in the form of in-kind (built units) or monetary payments.
- **Planning Agreements Policy:** This policy establishes a framework for negotiating planning agreements with developers, ensuring contributions towards public facilities, including affordable housing.

Key outcomes

Randwick City Council's Affordable Housing Contributions Scheme demonstrates how planning policy can be used to steadily increase affordable housing without requiring land transfers or major subsidies.

One example is the Newmarket Randwick redevelopment, which delivered 10 affordable dwellings through this scheme. These homes are managed by a CHP under the council's Affordable Rental Housing Program.

Key features of the scheme include:






- **Designated Areas:** The scheme applies to developments in the Kensington and Kingsford town centres and Housing Investigation Areas.
- **Contribution Rates:** Developers are required to contribute a percentage of the total floor area of residential developments towards affordable housing. For instance, in the Kensington and Kingsford town centres, the contribution rate increased from 3% to 5% for development applications lodged after 13 August 2022.
- **Forms of Contribution:** Contributions can be made either as in-kind (dedicated affordable housing units) or monetary payments. The council's preferred method is the dedication of completed dwellings, which are then managed by CHPs.
- **Management:** The affordable housing units acquired through this scheme are managed by registered CHPs in accordance with the council's Affordable Rental Housing Programs and Procedures.

Key takeaways

This planning-focused approach allows the council you to increase the stock of affordable housing without the need for direct land contributions or significant financial incentives.

Integrating affordable housing requirements into the planning process means that you can ensure a more sustainable and ongoing provision of affordable housing options within its jurisdiction.

COUNCIL LEVERS

 1. Building community support & strategic partnerships	<ul style="list-style-type: none"> • Developed the affordable housing strategy in 2007 which provides a framework for implementation
 2. Planning & policy levers	<ul style="list-style-type: none"> • Affordable housing contribution Scheme • Planning agreements / frameworks • Affordable housing Policy
 3. Financial incentives & subsidies	<p><i>Note that other levers are used by Randwick to delivery affordable housing but these are not the focus of the case study.</i></p>
 4. Land-based contributions	<p><i>Note that other levers are used by Randwick to delivery affordable housing but these are not the focus of the case study.</i></p>
 5. Direct delivery & ownership	<p><i>Note that other levers are used by Randwick to delivery affordable housing but these are not the focus of the case study.</i></p>

Source: Randwick City Council, (2023a). Affordable Housing Contributions Scheme. <https://www.randwick.nsw.gov.au/planning-and-building/planning-controls/affordable-housing-contributions-scheme>



3. Financial incentives & subsidies

Use funding tools to improve project viability and increase the number of affordable dwellings in your local area

Overview

Councils can use financial incentives and subsidies to improve project feasibility, often through one-off contributions that reduce capital costs. These interventions support affordable housing delivery without requiring the council to retain land ownership or take on development risk.

This lever differs from *planning and policy levers*, which shape the planning environment but don't directly reduce project costs, and from *land-based contributions*, where the council contributes land or retains ownership or long-term interest in the land. Instead, financial incentives are usually transactional and do not involve ongoing control.

While councils may choose to reduce or waive fees and charges, they should be aware that this will reduce availability of funds for other council services and infrastructure. In general, councils are not funded to deliver affordable housing and these costs should be borne by state or federal governments

When to use this lever

This lever is most appropriate when:

- your council prefers not to take on the long-term liability of owning or maintaining housing assets or does not have capacity to
- you have capital support to unlock feasibility, especially for CHPs or small-scale projects
- your intent is to incentivise delivery without assuming ownership risk
- you wish to create delivery momentum using available reserves and grants.

Survey insights: What councils are saying

71% of councils identified funding for enabling infrastructure as one of the most useful forms of support. This highlights the importance of infrastructure investment in unlocking housing feasibility.

Additionally, 38% of regional and rural councils ranked *enabling infrastructure* as the most critical local government support, ahead of planning reform or land.

Developer contributions play a vital role when it comes to enabling infrastructure, including through the affordable housing offset, which many councils can use as a strategic reserve.

In the survey, multiple councils flagged developer contribution reform as a priority, with requests for clearer guidance on how and when contributions could be waived or discounted

Preconditions



Community buy-in is more essential as it helps justify the use of public funds and builds political backing for incentives.



Partnering with housing provider including CHPs, private developers, and state/territory government agencies. This helps target support effectively and achieve housing outcomes.



Private sector interest or participation: Financial levers can be effective if there are willing private sector partners who see value in affordable housing delivery.



Council needs **available funds** or the ability to allocate resources (e.g. via enabling infrastructure or fee waivers).

Delivery Mechanisms	Description
a) Fee waivers and reduced developer contributions	<p>Council can reduce or waive certain fees and charges like development application fees, infrastructure contributions set by state planning laws, or in some cases ongoing council rates.</p> <p>This can lower both the upfront and long-term costs of delivering affordable housing, improving financial viability. These incentives are usually offered case-by-case and may be tied to specific outcomes (e.g. number of affordable homes provided).</p>
b) Enabling infrastructure contributions	<p>Council invests in infrastructure upgrades, such as roads, drainage, utilities, and public realm improvements, that directly support the feasibility of affordable housing projects. These works reduce development costs and risks by ensuring essential services are in place. Enabling infrastructure is often funded through developer contributions from standard developments, excluding those where contributions are waived to incentivise affordable housing delivery.</p>
c) Targeted grants or rebates	<p>Some councils offer small grants or rebates to help cover planning costs, rent subsidies, or feasibility studies. These are less common due to probity and budget constraints but can be useful for unlocking or de-risking a project. Any grant program should be competitive, transparent and tied to clear community outcomes.</p>

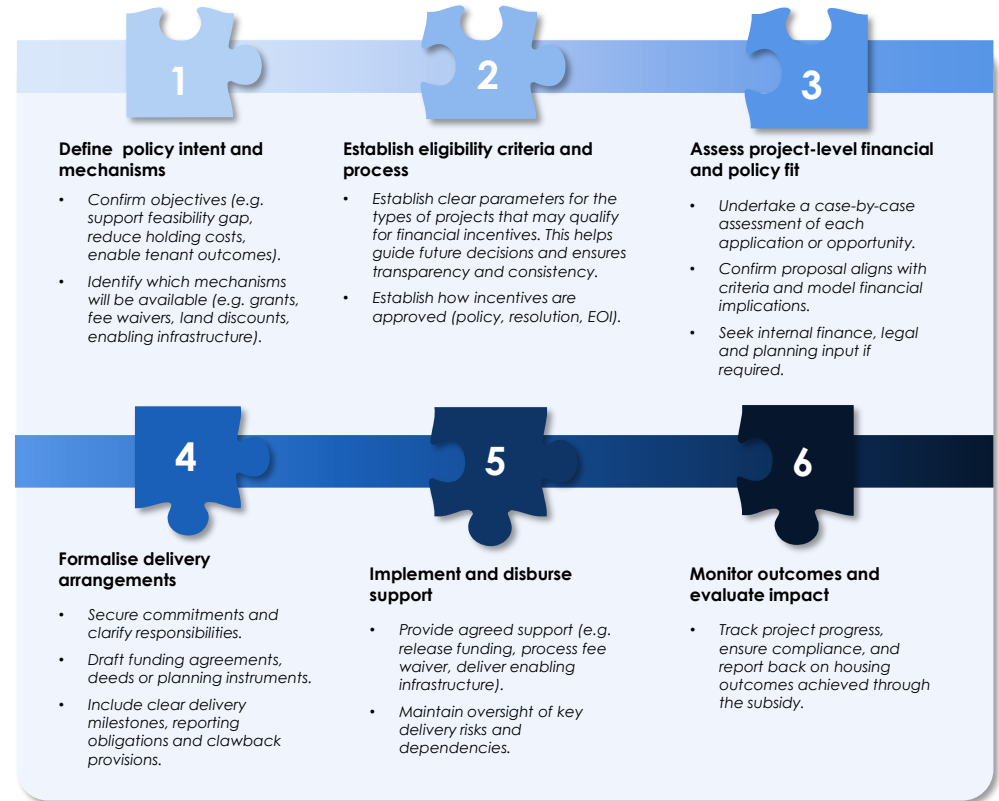
3. Financial incentives & subsidies

Use funding tools to improve project viability and increase the number of affordable dwellings in your local area

Key benefits and risks

Key benefits	Key risks
<ul style="list-style-type: none"> • Improves feasibility: financial contributions (such as cash grants or waived fees) can reduce up-front costs, improving the viability of projects that may otherwise be marginal—especially for CHPs operating with limited capital. • No long-term asset risk: unlike council-led delivery or long-term land leasing, financial incentives do not require councils to manage, maintain, or retain ownership of housing assets. This lowers exposure to financial or legal risk. • Flexible application: can be tailored to project needs, delivery stages, or specific cohorts. Mechanisms like grants, rebates or discounts can be applied project-by-project or as part of a broader policy. • Enables delivery momentum: subsidies can act as a catalyst, attracting CHP or private sector interest by bridging small but critical funding gaps. • Demonstrates commitment: offering financial support signals that council is serious about addressing housing need. It builds credibility with CHPs, state agencies and funding partners, potentially unlocking co-investment or in-kind contributions. 	<ul style="list-style-type: none"> • Limited funding capacity: financial incentives rely on council's budget or reserves, which may be constrained or subject to competing priorities. Small councils in particular may struggle to offer meaningful support at scale. • Uncertain impact: even where support is offered, it may not be enough to make a project viable—particularly if broader barriers like zoning, infrastructure, or market conditions are not addressed. Incentives must often be paired with other levers to be effective. • Probity concerns: if councils do not have clear, consistent guidelines for awarding financial incentives (e.g. cash grants or enabling infrastructure), they risk perceptions of unfairness, favouritism, or poor use of public funds. • Influence depends on design: While councils may not retain direct control once funds are committed, they can shape delivery outcomes through well-designed funding agreements, clear policy expectations, and monitoring mechanisms. • Community perception: ratepayers may question why public money is being used to support certain developments—particularly if the benefits are not clearly visible or well-communicated.

Pieces of the puzzle



CASE STUDY: Noosa Council, QLD



Noosa Housing Needs Assessment 2021



Keep Noosa Home
NOOSA HOUSING STRATEGY 2022



Background & key challenges

Noosa Council faced mounting housing pressures, including a shortage of affordable rentals, limited housing diversity, and growing homelessness. With high home ownership rates, an ageing population, and land constraints due to environmental overlays and tourism demand, the council recognised that without local intervention, the crisis would deepen.

Despite housing being a state responsibility in Queensland, Noosa made a deliberate decision to step into the space. This was driven by worsening local conditions and a lack of viable alternatives for key workers, low-income households, and vulnerable residents.

Key role: Strategic partnerships & financial levers

To respond, Noosa developed a **Housing Needs Assessment (2021)** and a **Housing Strategy (2022)**, which laid the groundwork for a series of targeted initiatives. These included:

- reforming planning controls to support affordable housing
- creating a Housing Projects Officer role to lead delivery
- implementing financial incentives to encourage private housing developments
- Encourages smaller dwellings and restricting short term accommodation use of dwellings
- activating council-owned land for social housing
- building partnerships with CHPs and homelessness services
- exploring innovative models for key worker accommodation.

Key outcomes

- **Planning Incentives:** Planning incentives include bonus height provisions for developments with 20% affordable housing and bonus incentives for smaller dwellings.
- **Financial incentives:** Noosa Council has recently introduced a suite of financial measures to support affordable housing delivery. These include:
 - a waiver of infrastructure charges for secondary dwellings, saving applicants approximately \$7,000 per application,
 - a tiered approach to development application fees, with full waivers for not-for-profit providers and partial waivers for private developers.
 - developers of affordable rental housing can defer infrastructure charges as long as the premises are managed by a CHP and continue to be used for affordable housing.
 - the council offers a 50% reduction in developer fees for projects delivering crisis, emergency, transitional, social, or affordable rental housing through not-for-profit organisations.
- **Cooroy Social Housing Project:** Council-owned land (a former landfill) is being remediated and subdivided and sold at market value to a CHP.

Project details






Location Cooroy, Noosa, QLD	Number of dwellings 25 Social houses
Initiated 2022	Completed Expected 2026
Delivered by: Coast2Bay Housing Group	Managed by: Coast2Bay Housing Group
Land provided by: Noosa Council	Funded by: Combination of various state federal funding grants

Key takeaways

Noosa's experience demonstrates that councils can play a pivotal enabling role in social housing delivery (i.e. not just affordable housing), even when it's outside their formal remit.

By offering greater financial incentives to not-for-profits, along with the remediation of the former landfill site, Noosa unlocked land for housing and structured a market-value sale to a CHP for the delivery of 25 social houses.

COUNCIL LEVERS

 1. Building community support & strategic partnerships	<ul style="list-style-type: none"> • Created a dedicated housing officer role • Built partnerships with CHPs and homelessness services
 2. Planning & policy levers	<ul style="list-style-type: none"> • Introduced planning amendments to support affordable housing and restrict short-term rentals
 3. Financial incentives & subsidies	<ul style="list-style-type: none"> • Waived fees for secondary dwellings • Waiver of developer application fees • 50% reduction of developer fees for social and affordable housing
 4. Land-based contributions	<ul style="list-style-type: none"> • Activated council-owned land for housing, including remediation and sale to CHPs
 5. Direct delivery & ownership	

4. Land Contributions (A)

A) Land Sales & Transfers: Activating council land for affordable housing

Overview

Selling council land can be a powerful way to help get affordable housing off the ground, especially when land is the missing piece. This option allows you to unlock delivery by handing control over to a trusted delivery partner. It works best when your council doesn't plan to retain ownership or manage the site long term. Whether it's sold at market or discounted value, the key is making sure the deal locks in the long-term supply of affordability housing.

Selling land, rather than leasing, can be the quicker route in terms of governance and delivery. It's useful when you want to remove ongoing obligations from council. But it also comes with more complexity, especially around legal restrictions and community expectations. You'll need clear strategy, legal advice, and clear messaging to tell your community about why this action delivers public benefit.

When to use this lever

This lever is most appropriate when:

- you have council-owned land that's suitable for housing
- your council isn't in a position to retain or manage the asset long term
- you want to hand over control to a trusted delivery partner (i.e. CHP).
- you've consulted your community and have support.

Survey insights: What councils are saying

39% of councils had contributed land (either directly or via transfer) to an affordable housing project.

Of these most (**63%**) reported that there were **obstacles and barriers faced in using council land.**

Councils also raised concern that, even when land was available, they lacked guidance on structuring land deals, particularly with CHPs.

Preconditions



Community buy-in is more essential as it helps justify the use of public funds and builds political backing for land contributions.



Council may need funding capacity to deliver (site due diligence, planning or rezoning, potentially enabling infrastructure).



Council would need access to available land that is appropriately zoned or is able to be rezoned and the land should not be earmarked for core civic or operational use.



Partnering with housing provider including CHPs, private developers, and state/territory government agencies. This will aid in the delivery and management of the project and helps ensure feasibility.

Delivery Mechanisms	Description
a) Direct sale with conditions	This involves council selling land directly to a CHP or delivery partner, typically at a discount. But in many states, you can't sell below market value without public consultation, competitive processes, or ministerial sign-off. To get around this, some councils sell at market value but include enforceable deed conditions or covenants that require the land be used for affordable housing. Selling at market rate does impact the feasibility of the project.
b) Transfer to a state agency	Some councils transfer land to a state body like the NSW Department of Communities and Justice (DCJ) which then enters a community housing partnership agreement with the CHP. In the <i>Shoalhaven example</i> , council transferred land to DCJ, which then entered into an agreement with Southern Cross Community Housing. The agreement required the land to be used for affordable housing in perpetuity. This allowed council to unlock housing while avoiding legal restrictions on below-market-value transfers directly to CHPs. Another example in a NSW context, land transfers from LGA to CHPs are currently being facilitated through Landcom.
c) Use of a trust or council-led company	This approach involves creating a separate entity, like a charitable trust or a not-for-profit housing company, controlled by council. This is known as a Special Purpose Vehicle (SPV). The land can either be transferred into the entity (sale) or leased to it on a long-term basis. This gives councils greater flexibility. They can enable delivery while still influencing how land is used over time. These entities can partner more easily with CHPs or private developers and are not subject to the same procurement or land disposal rules as councils. This model works well where councils want to retain strategic control without directly owning or managing the property.

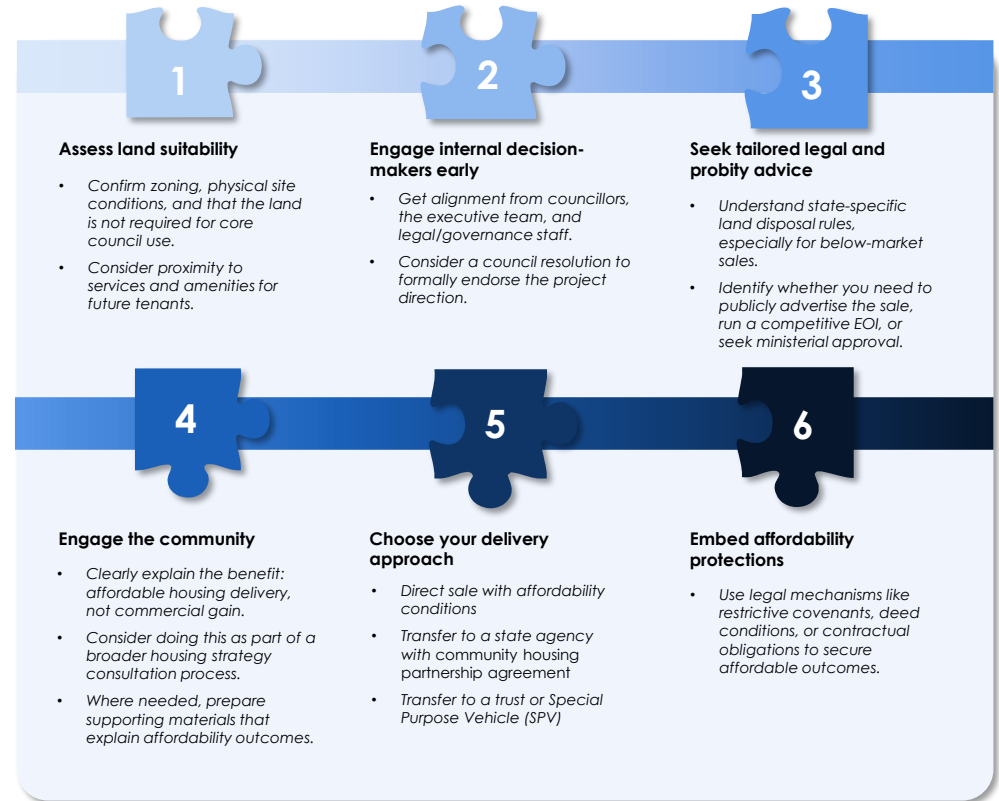
4. Land Contributions (A)

A) Land Sales & Transfers: Activating council land for affordable housing

Key benefits and risks

Key benefits	Key risks
<ul style="list-style-type: none"> • Direct impact: selling land is one of the most straightforward ways your council can contribute to affordable housing. Once the land is sold, your council doesn't need to stay involved—delivery is handled by the CHP or developer and the ongoing management will ideally be handled by a CHP. • Unlocks underutilised land: particularly valuable for repurposing sites that aren't being used effectively. • Enables partnerships: makes your council a serious partner and can unlock state and CHP co-investment. • Governance-lite (with the right setup): compared to ongoing council involvement or asset management, this can be a lower-burden option once risks are managed. 	<ul style="list-style-type: none"> • Legal barriers: you'll need to be careful about how you structure the sale—especially if you're selling below market value. Different states have different rules, and some require open market testing or special approvals (see slide 33 for further details) • Community concerns: people may push back if they see council land being sold, even for a good cause. Bring the community along early and make sure you have a strong justification and transparent approach. • Less control: once it's sold, you don't get to influence how the site is used—unless your agreements are solid.

Pieces of the puzzle



CASE STUDY: Shire of Narembeen, WA



Background & key challenges

The Shire of Narembeen, like many councils in Western Australia's Wheatbelt, faced a critical shortage of aged and affordable housing. With an ageing population and limited local housing options, older residents were increasingly forced to relocate to metropolitan areas, undermining community cohesion and accelerating regional population decline.

The feasibility of housing development in the Wheatbelt was severely constrained by low market prices that made private investment unattractive along with high construction costs and limited availability of skilled labour. Local councils therefore took it upon themselves to solve the problem .

Council's Role: Collaboration translating to delivery

- **Regional Collaboration:** The Shire of Narembeen is a member of the *Central East Accommodation & Care Alliance Inc* (CEACA) formed in 2012, which is a regional alliance of 11 councils in WA's eastern Wheatbelt. CEACA is governed by a board of council representatives and pools resources, governance, and strategic direction to deliver housing outcomes at scale.
- **CHP Registration:** In 2024, CEACA became a registered CHP enabling it to access state and federal funding streams that were previously out of reach.
- **Land Contributions:** The Shire of Narembeen recently gifted fully serviced greenfield land (freehold) to CEACA for a nominal amount. This land contribution was critical to unlocking external investment and progressing new affordable housing developments.

Key outcomes

- Delivered 71 two-bedroom aged units across member shires.
- 52 additional units planned, supported by state (Department of Housing and Works) and federal (Housing Australia) funding under the HAFF.
- CEACA is its own organisation, separate from the councils. Being a member doesn't give councils ownership of any assets, but they do have a say in decisions through their representative on the Management Committee.
- CEACA has its own CEO, administrative staff, and centralised contract management.
- CEACA has sold units from one withdrawn council (Trayning), with sale proceeds set aside for reinvestment into the Expansion project.
- CEACA is exploring Stage 3 and separate key worker accommodation projects via Regional Organisations of Councils (ROCs).






Project details

Location CEACA Member councils – Eastern Wheatbelt	Number of dwellings Stage 1: 71 units; Stage 2: 52 units
Initiated Stage 1: ~2018; Stage 2: ~2023	Completed Stage 1: Completed Stage 2: In progress (funding to be confirmed)
Delivered by: CEACA	Managed by: CEACA
Land provided by: The Shire of Narembeen has committed to gifting land in full	Funded by: State and federal governments; HAFF; council co-investment

Key takeaways

When small councils team up, big things can happen. The CEACA model shows that even in remote areas with limited resources, collaboration can unlock housing outcomes that would be impossible for any one council to achieve alone. By pooling land, funding, and governance, the 11 Wheatbelt councils turned a shared challenge into a coordinated solution.

COUNCIL LEVERS

 1. Building community support & strategic partnerships	<ul style="list-style-type: none"> • Councils formed CEACA to address housing market failure.
 2. Planning & policy levers	<ul style="list-style-type: none"> • Minimal planning barriers due to pre-zoned land. • Council support streamlined approvals.
 3. Financial incentives & subsidies	<ul style="list-style-type: none"> • Councils contributed ~\$50K per unit (10% of build cost).
 4. Land-based contributions	<ul style="list-style-type: none"> • Councils gifted fully serviced greenfield land (freehold). • Land transferred to CEACA for nominal amount (e.g., \$1).
 5. Direct delivery & ownership	



4. Land Contributions (B)

B) Land Lease: Activating council land for affordable housing

Overview

Leasing land instead of selling it gives councils a way to retain ownership while still enabling affordable housing delivery. This can be appealing when council land is strategically located or has long-term value, and when you want to ensure the land is used for community benefit over time. A long-term lease (e.g. 30–99 years) gives CHPs the certainty they need to finance and deliver housing—while letting council hold onto the asset.

It also provides a pathway to ensure land use remains aligned with community goals, because lease terms can include conditions about affordability, maintenance, and tenant mix. The lease model is particularly useful where political sensitivity or legal complexity make direct sale harder.

When to use this lever

This lever is worth exploring when:

- you want to enable housing but retain long-term control over the site
- your council has land with long-term community value or strategic importance
- you have strong community support or a well-prepared communication plan
- you're working with a CHP that has long-term delivery capability
- legal or political conditions make selling less desirable

Survey insights: What councils are saying

Several councils reported a preference to lease, not sell, land for affordable housing, especially where land has long-term community value or political sensitivity.

"We want to keep the land in council hands, but don't know how to make that work for community housing."

Councils were uncertain if CHPs or developers could secure finance against leasehold interests, raising concerns that leasing may limit project feasibility unless supported by government programs.

Preconditions



Community buy-in is more essential as it helps justify the use of public funds and builds political backing for land contributions.



Council may need funding capacity to deliver (site due diligence, planning or rezoning, potentially enabling infrastructure).



Council would need access to available land that is appropriately zoned or is able to be rezoned and the land should not be earmarked for core civic or operational use.



Partnering with housing provider including CHPs, private developers, and state/territory government agencies. This will help deliver and manage the project. Partners help to ensure feasibility.

Delivery Mechanisms	Description
a) Standard long-term lease	Council enters into a lease with a CHP, often at nominal or discounted rent. The ability to lease land below market rate depends on your state's legislation, some allow this more readily than others, while a few require ministerial approval or demonstration of community benefit. The lease can specify the purpose (e.g. long-term affordable housing), length (typically 30–99 years), and expectations (such as tenant types or management standards). This model is widely used across Australia and can give CHPs confidence to invest, especially when affordability objectives are clearly set out and monitored.
b) Lease via state agency or government program	<p>In some cases, councils lease land to a state housing authority that then partners with a CHP. This can help navigate legal and funding barriers, especially in states with restrictions on leasing below market value.</p> <p>For example, in New South Wales, councils may lease land to Land and Housing Corporation (LAHC), which can then deliver housing through partnerships with CHPs.</p> <p>In Queensland, the Housing Investment Fund enables state-facilitated partnerships that combine government land with CHP-led delivery. These models can unlock funding, reduce legal risk, and streamline project delivery by aligning council intent with state program requirements.</p>
c) Lease to SPV or housing trust	Similar to the sale pathway, councils can lease land to a special purpose vehicle (SPV) or charitable trust that then develops and manages the housing. This structure allows councils to maintain oversight and influence without needing to manage the asset directly.

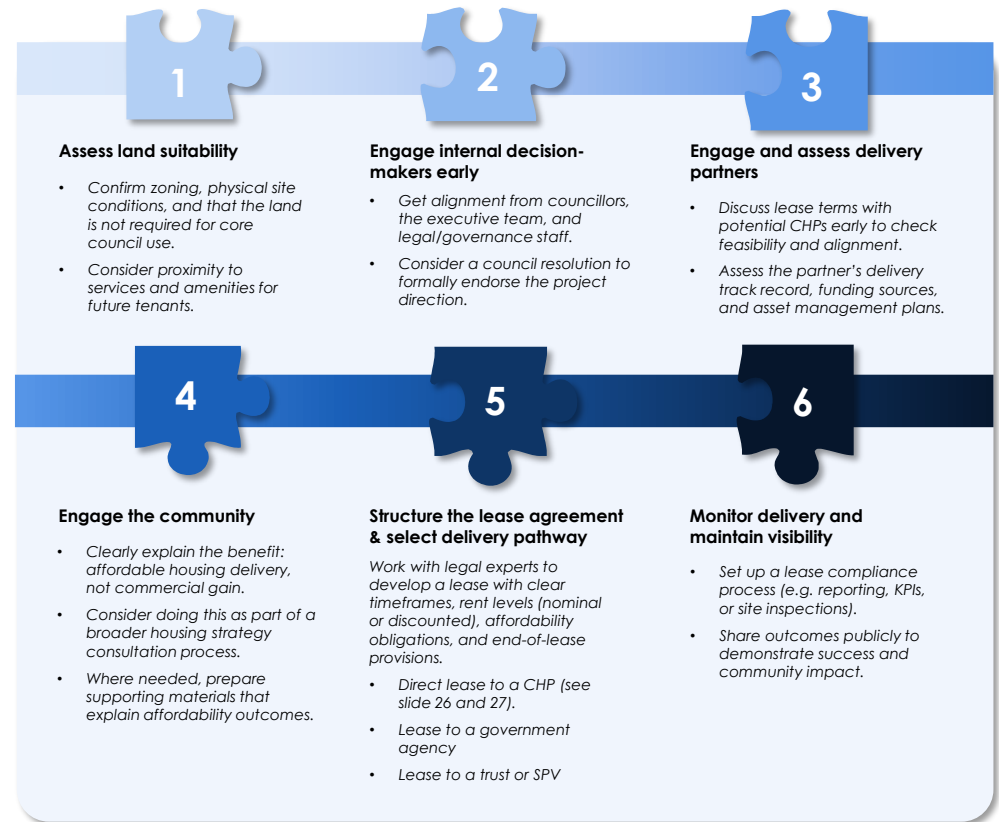
4. Land Contributions (B)

B) Land Lease: Activating council land for affordable housing

Key benefits and risks

Key benefits	Key risks
<ul style="list-style-type: none"> • Retain ownership and flexibility: leasing lets you support delivery without giving up long-term control of the land. This is useful for sites with future strategic or community value. • Secure community benefit: long-term leases can lock in conditions that ensure housing stays affordable and well-managed for decades. • Lower political risk than sale: compared to a land sale, leasing is often easier to explain to the community and councillors. • Asset retention for long-term benefit: ownership ensures council retains a valuable asset base. Land can remain in public hands, preserving options for future use or redevelopment, while still meeting current social needs. 	<ul style="list-style-type: none"> • Limited access to finance: CHPs or developers may find it harder to secure finance for construction, as they don't own the land and may have limited ability to offer the leasehold interest as loan collateral. • Lease complexity: Poorly structured leases can create ambiguity or fail to secure long-term outcomes. You'll need legal support to get this right. • Council oversight burden: You may need processes in place to monitor compliance with affordability and tenancy obligations. • Limited delivery certainty: If the lease isn't well-structured, it may not result in housing delivery. This means you'll need to choose your partners carefully.

Pieces of the puzzle



CASE STUDY: Moreton Bay City Council, QLD



Background & key challenges

Moreton Bay Council responded to the escalating housing crisis by shifting from a passive role to an active facilitator of housing delivery. Historically, councils viewed housing as a state responsibility, but increasing demand and limited supply prompted a strategic reassessment. A key challenge was balancing community expectations around asset retention with the need to unlock land for housing. Financial viability for CHPs was another barrier, exacerbated by high infrastructure charges and limited access to suitable land.

Council's role in delivering social and affordable housing.

- 1. Building community support & strategic partnerships:** Council played a proactive role in advocating for state and federal funding to support housing delivery. It coordinated closely with CHPs to shape viable project proposals and aligned project timelines with the government.
- 2. Policy and planning levers:** Council implemented streamlined planning processes, including a concierge-style DA service for eligible housing projects.
- 3. Financial incentives:** To improve project viability, council offers: 100% remission of DA fees for qualifying housing projects and 100% remission of infrastructure charges
- 4. Land activation via long-term leasing:** Two urban infill sites were selected and offered to CHPs under a 50-year peppercorn lease, enabling development without asset disposal. This lease model retains community ownership.

See the following slide for further details on these mechanisms

Key Outcomes

- Two pilot projects – Bric Housing (Caboolture) and Coast2Bay Housing Group (Morayfield)— were selected through a competitive EOI process and are progressing under 50-year peppercorn leases.
- Combined, these two projects will deliver 22 new dwellings, primarily for social housing tenants, with construction expected to commence following contract finalisation in late 2025.
- Council waived over \$1 million in development fees and infrastructure charges across 15 suburbs to support social and affordable housing delivery.
- Policy reforms and incentives have catalysed a pipeline of projects, with council estimating a total exposure of \$10–12 million in remitted charges as more developments proceed.






Project details

Location	Number of dwellings
Urban infill site in Moreton Bay (2 projects)	22 dwellings
Initiated	Completed
Early 2022 (EOI process launched)	Expected late 2025
Delivered by:	Managed by:
Bric Housing CHP, Coast to Bay Housing	Bric Housing CHP, Coast to Bay Housing
Land provided by:	Funded by:
Moreton Bay Council (50-year peppercorn lease)	Queensland Government – QuickStarts program

Key takeaways

- Asset retention and long-term leases offer a politically and financially viable model
- Fee remissions and planning support significantly improve project viability
- Early engagement with CHPs and state government is critical to funding success
- Policy flexibility and delegated decision-making accelerate delivery.

COUNCIL LEVERS

 1. Building community support & strategic partnerships	<ul style="list-style-type: none"> Stakeholder engagement with CHPs Funding alignment with state programs
 2. Planning & policy levers	<ul style="list-style-type: none"> Concierge style DA process Ministerial Infrastructure Designation are encouraged
 3. Financial incentives & subsidies	<ul style="list-style-type: none"> 100% DA fee remissions 100% infrastructure charges remissions Rates and water exemptions
 4. Land-based contributions	<ul style="list-style-type: none"> Land audit 50-year peppercorn leases Asset retention
 5. Direct delivery & ownership	

CASE STUDY: Moreton Bay City Council, QLD



Moreton Bay City Council use multiple different mechanisms to activate housing in their LGA. The following provides further details on each of these.

1. Building community support & strategic partnerships

- **Stakeholder Engagement:** Council met with 25 registered CHPs to understand delivery barriers and shape policy responses.
- **Cross-sector Collaboration:** Encouraged partnerships between CHPs and private developers, expanding delivery capacity.
- **State Advocacy:** Successfully advocated for funding of social and affordable housing pilot projects, even after initial rejection of one. Adjusting project timelines to align with state and federal funding rounds (e.g. QuickStarts) improving the likelihood of capital funding success.

2. Policy and planning levers

- **Concierge DA Service:** Council offers tailored support to CHPs and developers, helping navigate planning regulations (e.g., car parking ratios) for projects prioritising social and affordable housing
- **Ministerial Infrastructure Designation (MID):** Council is open to CHPs using the MID pathway, which avoids third-party appeals and can expedite approvals which is especially useful for projects that may face community resistance.

3. Financial incentives and subsidies

Morton Bay City Council offer a number of financial incentives to encourage social and affordable housing developments. This includes:

- **Development Application (DA) Fee Remissions:** Council offers 100% remission of DA fees for qualifying housing projects. There is some flexibility with this policy with projects outside mapped priority areas can still receive full remission if deemed suitable with decisions delegated to the CEA for faster turnaround.
- **Infrastructure Charges Remissions:** Council remits 100% of infrastructure charges (often \$500K–\$1M per project) for eligible projects. This initiative has a safeguard in place which ensures that if the housing outcome isn't maintained for at least 15 years, the charges become payable by the property owner.
- **Rates and utility exemptions:** Under the new lease category, CHPs are exempt from rates and water charges.

4. Land-based contributions

The following table outlines the key features of the **50-year peppercorn leases**. These offer long term leases at nominal rents enabling CHPs to secure funding while council retains ownership of the land.

Feature	Details
Lease Type	Exclusive-use land leases for registered CHPs or Specialist Homelessness Services.
Lease Duration	<ul style="list-style-type: none"> • Up to 50 years for council freehold land. • Up to 30 years for state government trustee land (as per the Land Act 1994).
Rental Terms	Peppercorn lease: Nominal rent (e.g., \$1/year payable on demand).
Development Conditions	Leases are conditional on delivery of key development outcomes within a specified timeframe.
Responsibility	Lessee responsible for development, maintenance, and care of leased area
Council Role	No responsibility for constructed assets
Asset Return	Land and assets must be returned/removed at end of lease

5. Direct delivery and ownership

Direct delivery offers full control, but requires land, funding, and a clear delivery pathway.

Overview

This model involves councils directly delivering and owning affordable housing typically through development on council-owned sites. While councils can retain ownership and ensure long-term affordability outcomes, they should consider partnership with a registered CHP to manage the housing stock. CHPs bring tenancy management experience, wraparound services, and not-for-profit status that improves eligibility for government programs and funding.

This lever is most feasible when capital funding is available (through state or federal grants), land is already in council ownership, and there's a strong policy or community rationale for direct involvement.

When to use this lever

This lever is most appropriate when:

- you own suitable land and want to retain full ownership and control
- there's strong policy alignment or local political support for deeper council involvement
- capital grants or subsidies are available to offset construction costs
- you have access to a reliable CHP to manage properties
- you want to ensure enduring affordability and service outcomes through governance or deed restrictions.

Survey insights: What councils are already doing

- 9% of councils reported acting as the primary developer for affordable housing projects in their LGA.
- A further 25% were involved as a partner in delivery. Some councils reported actively delivering housing, often through innovative methods. One noted: "We have delivered social housing on council land using a modular solution."
- Others highlighted that direct delivery remains outside their typical remit, with one stating: "Property development isn't typically a core business service that councils provide."

Preconditions



Community support is critical and councils need to demonstrate strong community and political backing.



Council would need access to available land that is appropriately zoned or is able to be rezoned and the land should not be earmarked for core civic or operational use.



Funding capacity or access to subsidies to cover delivery costs. External funding is recommended (e.g. grants from state or federal).



Partnering with housing provider including CHPs, private developers, and state/territory government agencies. This will aid in the ongoing management of the project. Partners can help ensure long-term success.

Delivery Mechanisms	Description	Why a council might choose this
<p>a) Council-led development with CHP management</p>	<p>Council retains ownership of the land and assets, acts as developer or project sponsor, and contracts a CHP to manage the tenancies. Alternatively, councils acquire existing buildings and repurpose into affordable housing.</p> <p>In this model – councils would provide land and capital (often through grants or reserves), oversees project delivery, including planning and procurement, maintains ownership post-construction and would then enter into a long-term management agreement with a CHP (usually 10+ years).</p>	<p>Preferred where council has land and/or capital, seeks to retain control, and wants to ensure long-term affordability through direct delivery.</p>
<p>c) Council-led Build-to-Rent (BtR)</p>	<p>Council develops and retains ownership of a multi-unit rental asset, then leases units to eligible tenants at below-market rents. Management is outsourced to a CHP or professional tenancy manager.</p> <p>This model suits councils seeking to establish a long-term rental portfolio.</p>	<p>Used where councils want to expand their rental portfolio and directly respond to unmet housing demand, but outsource tenancy operations.</p>
<p>d) Delivery via council-owned SPV or charitable trust</p>	<p>Council delivers housing through a wholly-owned SPV or charitable trust. This structure can hold assets, procure services, and manage risk separately from council's general operations. It allows council to maintain strategic control while separating governance and financial obligations. The SPV or trust may enter into service agreements with CHPs or tenancy managers.</p>	<p>Useful where council seeks arm's-length governance, enhanced commercial flexibility, or risk separation from core council functions.</p>
<p>d) Shared or transferred ownership with CHP</p>	<p>Council partners with a CHP to co-own or fully transfer ownership of housing assets. This may involve gifting or selling land or dwellings, with legal agreements (e.g. covenants, deeds, or CHAA) to secure long-term affordability and community benefit.</p>	<p>When council prefers to enable delivery without retaining ownership, while ensuring that housing remains affordable and well-managed by a trusted partner.</p>



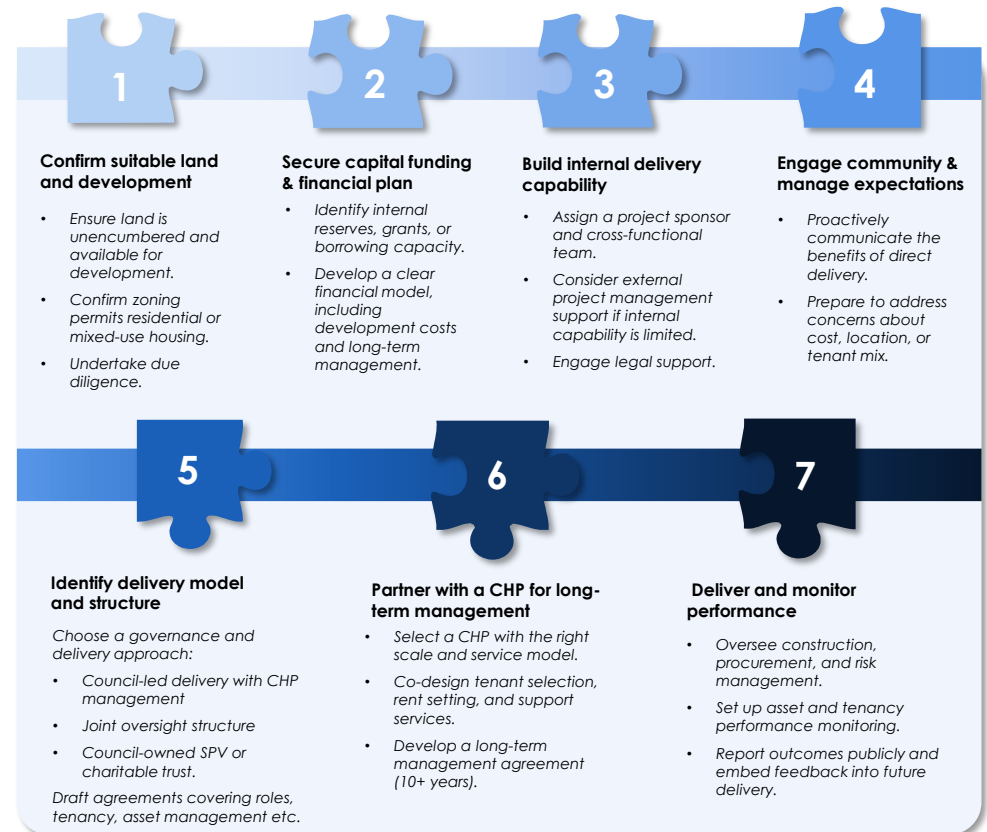
5. Direct delivery and ownership

Direct delivery offers full control, but requires land, funding, and a clear delivery pathway.

Key benefits and risks

Key benefits	Key risks
<ul style="list-style-type: none"> • Full ownership and control: council controls the asset, delivery, and outcomes. Councils can directly shape housing typology, tenure mix, and design to meet identified community needs (e.g. accessible dwellings, family-size homes). • Long-term affordability: ownership enables enforceable deed restrictions or agreements with CHPs. • Eligibility for government grants: some programs favour or require council involvement or sponsorship. • Supports strategic use of council land: can activate underutilised land to meet housing needs (however usually requires council land to be feasible). • Asset retention for long-term benefit: ownership ensures council retains a valuable asset base. Housing can remain in public hands, preserving options for future use or redevelopment, while still meeting current social needs. • Potential to demonstrate leadership and innovation: council-led projects can showcase innovative design, delivery models, or sustainability features — supporting broader policy leadership (e.g. net zero housing, universal design). 	<ul style="list-style-type: none"> • Delivery and financial risk sits with council: council is responsible for overseeing procurement, construction, and cost management. Delays, budget overruns or compliance failures may expose council to reputational or financial risk. • Upfront capital and financing burden: council typically provides land and capital (through grants, reserves or borrowing). This can limit capacity to invest in other services or infrastructure and exposes council to debt risk. • Political and community scrutiny: as a visible public investment, direct delivery can attract criticism around location, design, tenant mix, or cost — particularly in areas with local resistance to affordable housing. • Ongoing oversight burden: even where tenancy is outsourced, council retains responsibility for long-term maintenance and governance. Poor oversight may compromise tenant outcomes or asset condition. • Sustainability of model: without repeatable funding streams, hard to scale or replicate.

Pieces of the puzzle



CASE STUDY: Yarriambiack Shire Council, VIC



Background & key challenges

Yarriambiack Shire Council, located in north-western Victoria, faces the typical pressures of a small rural municipality: population decline, ageing demographics, and limited housing diversity. Most homes in the region are large, older dwellings, often three bedrooms or more, yet the majority are occupied by just one or two people. This mismatch between housing stock and household size created a clear need for smaller, affordable homes, particularly for older residents looking to downsize.

Despite this need, the council struggled to attract external investment. An initial partnership with a registered CHP was promising but ultimately unsuccessful due to the small scale of the project and the geographic isolation of the region. Without sufficient funding or a CHP partner, the council was forced to take on the project itself.

Roles and Levers Used to Increase Social and Affordable Housing

With limited external support, the council took on direct delivery, using a mix of policy, planning, and financial levers to make the project viable:

- **Building community support & strategic partnerships:** Coordinated with local housing committees and aged care providers.
- **Planning & Policy Levers:** Used planning scheme exemptions for council-led builds under \$1M and Rezoned surplus land
- **Land-Based Contributions:** Council gifted fully serviced land for housing projects but retained ownership
- **Direct Delivery & Ownership:** Council led project management and construction.

Key outcomes

- Delivered seven new affordable homes across five towns.
- Strengthened partnerships with aged care and housing groups.
- Enabled downsizing for older residents, freeing up larger homes.
- Transitioned property management from volunteer committees to professional providers.
- Prepared additional land for future housing development.
- Maintained affordability in perpetuity, with rental income reinvested into maintenance.

Project details






Location: Woomelang, Murtoa, Hopetoun, Rupanyup, Warracknabeal	Number of dwellings: 7 new builds (plus 8 existing managed by Dunmunkle Lodge)
Initiated: 2021	Completed: 2025-26
Delivered by: Yarriambiack Shire Council	Managed by: Dunmunkle Lodge (except Woomelang – local committee)
Land provided by: Yarriambiack Shire Council	Funded by: <ul style="list-style-type: none"> • \$500k loan • \$240k Murtoa housing • \$180k Woomelang Housing • \$2.8 m Grant from Regional Development Victoria • \$80k Council funds

Key takeaways

Yarriambiack showed that small councils can lead housing delivery when needed, even without a housing provider. Partnering with local aged care organisations made long-term management possible, but delivering the project stretched council resources.

Next time, they'd bring in a dedicated project manager to ease the load and improve efficiency.

COUNCIL LEVERS

 1. Building community support & strategic partnerships	<ul style="list-style-type: none"> • Conducted community education to demystify social housing. • Coordinated with local housing committees and aged care providers.
 2. Planning & policy levers	<ul style="list-style-type: none"> • Used planning scheme exemptions for council-led builds under \$1M. • Rezoned surplus land for future housing.
 3. Financial incentives & subsidies	
 4. Land-based contribution	<ul style="list-style-type: none"> • Council gifted fully serviced land for housing projects.
 5. Direct delivery & ownership	<ul style="list-style-type: none"> • Council led project management and construction. • Retained ownership of land and assets. • Managed by Dunmunkle Lodge

What role will your council play?

Choosing the Right Role: A Guided Starting Point

Councils can support affordable housing in many ways (from light-touch advocacy to direct delivery). But not every council will have the same appetite, resources, or political support. The key is to find a role that's both realistic and impactful.

Start by working with your executive team and councillors to explore:

- **How far are we willing to go?** Are we focused on advocacy and partnerships, or ready to contribute land or funding?
- **What resources do we have?** Do we have land, staff, or budget to support delivery?
- **What risks are we prepared to take on?** What are the political, financial, and reputational considerations?

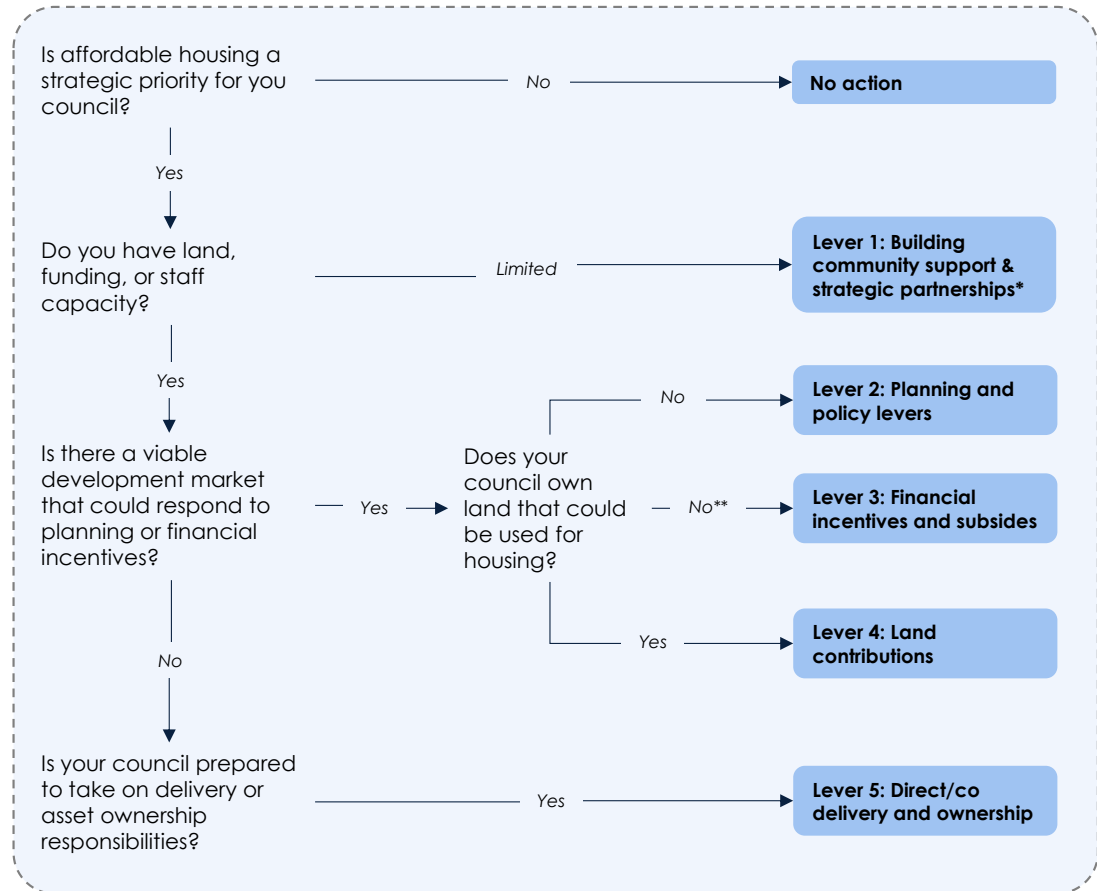
This isn't about doing everything. It's about doing what's possible and doing it well. Like all government work, it's a process. Councils must weigh risks, costs, and community benefits to determine the best path forward.

The decision flow chart illustrates some high-level questions to guide internal conversations and shape your council's approach to affordable housing delivery.

How far are we willing to go?

What resources do we have?

What risks are we prepared to take on?



* Note that Lever 1 can be undertaken alongside other levers

** Note that this relates to where council does not have land but is willing to provide other financial incentives including but not limited to foregoing development fees and charges

Section 3: Resources and Links



Further detailed guidance

Local councils have access to a range of resources that provide practical guidance on how to use planning, funding and partnership levers to support the delivery of affordable housing. The table below brings together key reports and fact sheets from CHIA NSW, CHIA Vic and ALGA, outlining available tools, case studies and detailed implementation advice. Each entry includes a link to the full resource for further information.

Resource	Description	Link
Local Government Affordable Housing Resource Bank (CHIA NSW, 2023)	Outlines levers councils can use (e.g. discounted land, planning incentives, contribution schemes, joint ventures) and provides eight NSW council case studies (Central Coast, Canada Bay, Parramatta, Sydney, Griffith, Penrith, Randwick, Shoalhaven).	Link
Partnering with community housing providers (CHIA, NSW)	Outlines additional case studies in NSW where local councils have worked with CHPs to deliver affordable housing.	Link
Local Councils taking action on affordable housing (CHIA NSW, 2022)	Highlights actions councils have taken, such as planning mechanisms, contribution schemes, and partnerships with CHPs. Includes examples and outcomes.	Link
Local Councils partnerships for the provision of affordable housing (CHIA NSW, 2022)	Describes how councils and CHPs have worked in partnership to deliver affordable housing, with illustrative case studies and practical examples.	Link
Local Government Affordable Housing Programs: Options and Opportunities (CHIA NSW, 2023)	Provides detailed options and opportunities for councils to design and implement affordable housing programs, including case studies and key program elements.	Link
Affordable Housing Agreements – Local Government Fact Sheet (Victoria CHIA, 2020)	Guidance for councils on advocacy, planning mechanisms, investment of land/funds, and partnerships to enable affordable housing.	Link
Special Purpose Vehicle (SPV) Fact Sheet (2022)	Explains how councils can use SPVs to secure affordable housing contributions on council land or via planning agreements, including governance and risks.	Link
2024 National General Assembly Listening Report (ALGA, 2024)	Summarises local government discussions on housing and community infrastructure, with emphasis on collaboration and funding mechanisms.	Link
2025 National General Assembly Listening Report (ALGA, 2025)	Summarises local government discussions on housing and community infrastructure, with emphasis on collaboration and funding mechanisms.	Link

State by state assessment of land contribution levers

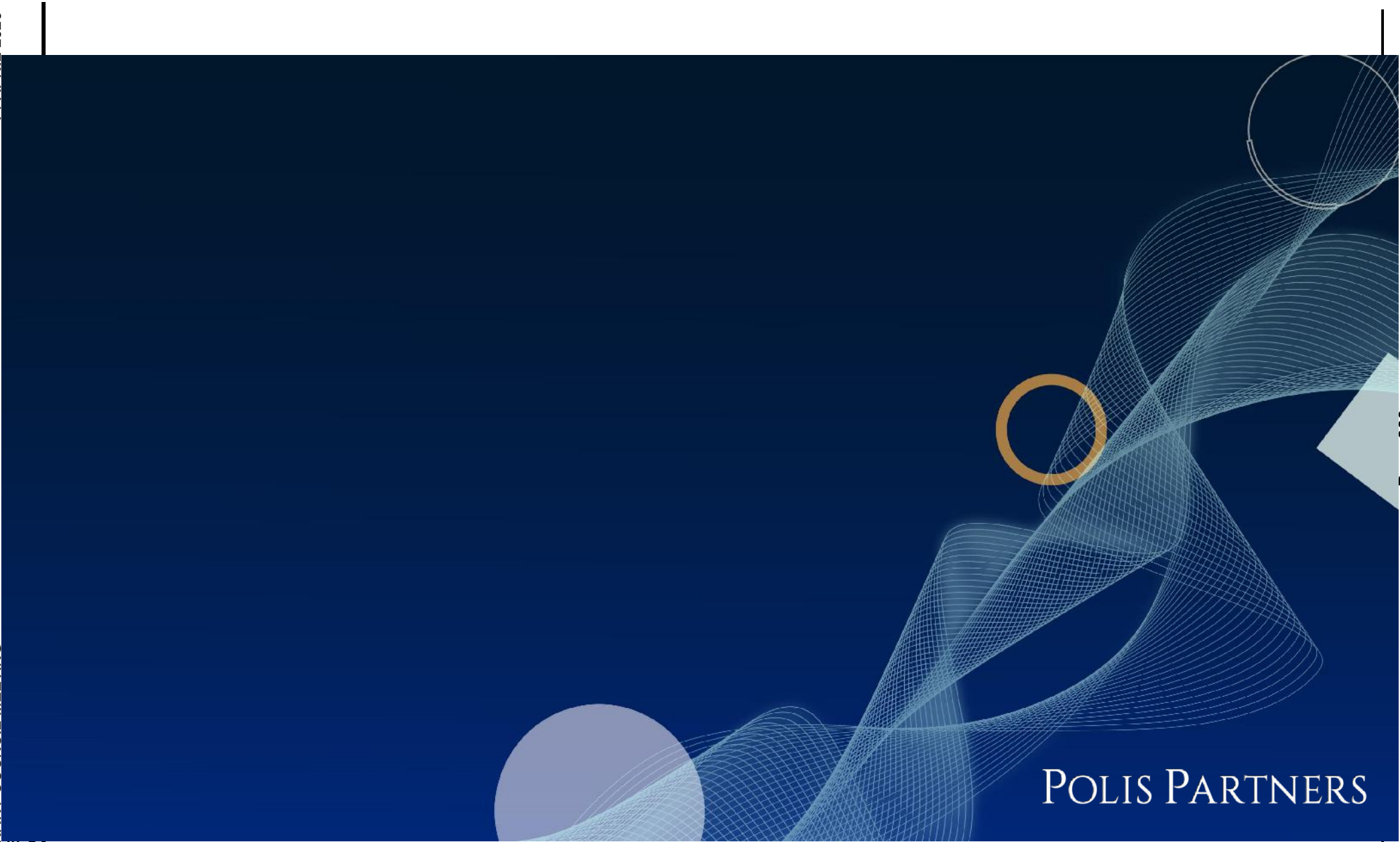
State-by-state summary of council land sale legislation for affordable housing. Please check your relevant state/territory legislation (listed below) for statutory requirements or obligations for selling or leasing council land for affordable housing projects.

State/Territory	Relevant Legislation
NSW	Local Government Act 1993 (NSW)
VIC	Local Government Act 2020 (VIC)
QLD	Local Government Regulation 2012 (QLD)
WA	Local Government Act 1995 (WA)
SA	Local Government Act 1999 (SA)
TAS	Local Government Act 1993 (TAS)
ACT	Planning and Development Act 2007 (ACT)
NT	Local Government Act 2019 (NT)

Glossary

Term / Acronym	Definition
Affordable housing	Housing appropriate for very low, low and moderate-income households, with costs that allow other living expenses to be met.
Affordable Housing Contribution Scheme (AHCS)	Planning mechanism requiring developers to contribute dwellings or cash toward affordable housing in defined areas.
Advocacy and coordination	Council actions to influence housing outcomes by setting priorities, engaging stakeholders and seeking funding.
Australian Local Government Association (ALGA)	National peak body representing local councils; co-author of this guide.
Case study	An example from a specific council showing practical application of a lever or tool.
Community Housing Provider (CHP)	Not-for-profit housing organisation that develops, owns or manages affordable and social housing.
Australia Community Housing (ACH)	Peak body for CHPs; provides guidance, research and advocacy on affordable housing.
Development Application (DA)	Formal application for planning consent lodged with a council.
Development Control Plan (DCP)	Council document setting detailed planning and design rules supporting the LEP.
Direct delivery and ownership	When a council directly develops and retains ownership of affordable housing, often with a CHP managing tenants.
Enabling infrastructure	Essential works such as roads, utilities and services that make a housing site viable.
Floor Space Ratio (FSR)	Ratio of total building floor area to the size of the land parcel; used in planning incentives.

Term / Acronym	Definition
Housing Australia (HA)	Federal body administering funding and policy for housing programs.
Housing Australia Future Fund (HAFF)	National fund generating investment income to support affordable housing projects.
Inclusionary zoning	Planning provisions requiring a portion of new developments to be affordable housing.
Joint venture	Formal arrangement between a council, CHP or private partner to jointly deliver housing.
Land contribution	Council action to enable housing through sale, transfer or lease of council-owned land.
Land lease	Long-term agreement where a council retains land ownership but leases it for affordable housing.
Local Environmental Plan (LEP)	Statutory plan guiding land use and development in a council area.
Local Government Area (LGA)	Geographic boundary governed by a local council.
Local Housing Strategy (LHS)	Council plan outlining housing needs and priorities, including affordable housing targets.
Local Strategic Planning Statement (LSPS)	Council's 20-year land use vision and strategic planning priorities.
Special Purpose Vehicle (SPV)	Separate legal entity set up to hold land or deliver a housing project, isolating risk and responsibilities.
Strategic planning	Long-term council planning to shape growth, land use and housing outcomes.
Voluntary Planning Agreement (VPA)	Negotiated legal agreement where a developer provides public benefits (e.g. affordable housing) in exchange for planning consent or concessions.



POLIS PARTNERS

Department of Planning, Housing and Infrastructure

Office of Local Government

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Council Led Affordable Housing on Operational Land in NSW

Guide to assist councils to explore using operational land for Affordable Housing

February 2026





Acknowledgement of Country

The Department of Planning, Housing and Infrastructure acknowledges that it stands on Aboriginal land. We acknowledge the Traditional Custodians of the land, and we show our respect for Elders past, present and emerging through thoughtful and collaborative approaches to our work, seeking to demonstrate our ongoing commitment to providing places in which Aboriginal people are included socially, culturally and economically.

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Minister's Forward



I am pleased to present this guide that serves as a resource for local councils in New South Wales. This guide offers a strategic framework for effectively utilising operational land for affordable housing, a mission of utmost importance for our communities.

Affordable housing is a cornerstone of a thriving, inclusive society. This guide aims to empower local councils with the knowledge, tools, and best practices to make significant strides in addressing the pressing issue of housing affordability.

By fostering partnerships, leveraging resources, and adopting innovative approaches, we can create sustainable solutions that not only meet the immediate housing needs of the people of NSW but also lay the foundation for stronger, more resilient communities in the long term.

I extend my gratitude to all those who have contributed to the development of this guide and thank the many stakeholders who have shared their expertise and experience.

I trust that this guide will serve as a valuable reference for local councils as they embark on the crucial mission of providing affordable housing opportunities for the people of New South Wales.



The Hon. Ron Hoenig
NSW Minister for Local Government

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Introduction

This resource is designed to support local councils in New South Wales (NSW) as key partners in delivering better housing outcomes for people across the state. Councils also have a key role in helping NSW to meet targets under the National Housing Accord, a strategic initiative committed to delivering hundreds of thousands of homes by 2027 to address the pressing issues of housing supply and affordability challenges.

Affordable housing is critical for fostering community diversity, stimulating local economies, and promoting long-term sustainable housing, socio-economic growth, and well-being. The current stock of affordable housing in NSW has struggled to keep pace with population growth, and demand.

A record-low supply of long-term rental homes places a significant financial strain on low-income renters, including essential workers, single-parent families, and older individuals, while exacerbating homelessness. Moreover, certain regions face heightened pressure on long-term rental markets due to the increasing popularity of short-term rental accommodation properties.

One of the most significant challenges in making affordable housing a reality often comes down to the cost of acquiring well-located land. This guide acknowledges this challenge, and positions councils to play a vital role in overcoming it.

The cost of suitably located land is often a significant barrier to affordable housing

By leveraging under-utilised operational land for affordable housing projects, councils can facilitate access to homes for those in need. It is important to note that there are practical and legislative limitations to the amount of land a council can readily provide.

This guide is an early reference point for councils considering the use of operational land for affordable housing. It offers step-by-step guidance on various aspects of using operational land for affordable housing.

It covers the identification of suitable under-utilised land, management of affordable housing initiatives on council-owned land at every stage, accessing grants and support mechanisms available to councils, and showcasing real-world success stories through case studies of council-led affordable housing projects on operational land.

Key contacts and additional resources are provided at the end of this guide to help councils make meaningful progress in addressing the pressing issue of affordable housing.

Key Terms

Affordable housing

Affordable housing is housing that is appropriate for the needs of a range of very low to moderate income households and priced so that these households are also able to meet other basic living costs, such as food, clothing, transport, medical care and education (NSW Affordable Housing Ministerial Guidelines 2023-2024).

As a rule of thumb housing is usually considered affordable if it costs less than 30% of gross household income

The State Environmental Planning Policy (Housing) 2021, also known as the Housing SEPP, outlines the eligibility thresholds that must be met to access affordable housing. These thresholds are based on a percentage of the median household income for Greater Sydney or the Rest of NSW, as follows:

- a) very low-income household— earns less than 50% of the median income,
- b) low-income household— earns between 50 and 80% of the median income,
- c) moderate-income household— earns between 80 and 120% of the median income.

Under the Housing SEPP, affordable housing eligibility should be income based; however councils may also identify priority groups as sub criteria.

Affordable housing is different from ‘housing affordability’ which is a general term used to describe a range of market forces that influence the cost of housing payments. Councils may influence housing affordability by implementing land-use planning measures, but this is distinct from facilitating affordable housing supply for eligible households.

Affordable housing is also different from ‘lower-cost housing’ which could be housing delivered through cost-saving construction methods, lower-quality housing, or housing located in areas with lower land values.

‘Social housing’ is secure and affordable rental housing for people on very low incomes with housing needs. Eligibility requirements for social housing are set by the NSW Government. Applications are managed through the NSW Housing Pathways system.

‘Public housing’ is managed by Homes NSW while community housing is managed by non-government organisations.

‘Aboriginal housing’ is specifically for Aboriginal people. These properties are managed by Homes NSW or community housing providers, including Aboriginal Community Housing Providers.

Each housing provider manages its tenancies in accordance with the *Residential Tenancies Act 2010*.

Operational land

Operational land refers to council-owned land that has no special restrictions on its use, apart from those that may apply to any piece of land. It is distinct from 'Community land' which is classified to reflect the importance of the land to the community because of its use or special value or significance to the local community.

Generally, community land is intended for public access and use, or where other restrictions applying to the land create some obligation to maintain public access.

Community land cannot be sold, leased or licensed for more than 21 years and must have a plan of management prepared for it. If community land is to be leased for more than 21 years (including options), the Minister for Local Government must approve the special circumstances justifying the long term. The term of lease or license must not exceed 30 years (including any option to renew).

Housing providers

This guide refers to Community Housing Providers and Aboriginal Community Housing Providers. In this guide, they are collectively referred to as 'Housing Providers'.

Further information on community housing is available on the Department of Communities and Justice website: <https://www.facs.nsw.gov.au/housing/help/ways/community-housing>

Exploring the benefits of using operational land for housing

The high cost of suitable land is often cited as a major obstacle in addressing the critical need for affordable housing. Local governments play a vital role in facilitating affordable housing through land use planning, advocacy, and strategic partnerships.

Councils can make a substantial impact by harnessing under-utilised operational land for affordable housing in partnership with the NSW Government and Housing Providers to address local housing needs.

Affordable housing projects require financial subsidies due to high land and construction costs and reduced rental income. By providing operational land through discounted sale, gifting or long-term lease arrangements councils can help make affordable housing developments more viable to meet community needs.

Additionally, councils can expand the reach of affordable housing initiatives by considering strategic land purchases adjacent to under-utilised operational land.

State-owned land for Affordable Housing

While this guide relates to the use of council owned operational land for affordable housing projects, the NSW Government is taking similar proactive steps to explore the use of state-owned land for affordable housing through a land audit.

One notable project under this initiative is the examination of surplus Crown Land in regional NSW. This project is a partnership between Crown Lands, Homes NSW, Landcom, local councils, and Local Aboriginal Land Councils in Albury, Cooma, Forbes, North Tuncurry and Tamworth.

Similarly, local councils can play a role to engage closely with their communities in identifying and assessing under-utilised operational land that can be repurposed for affordable housing initiatives.

By working together, we can unlock the potential of these resources and make significant strides in addressing the critical need for affordable housing.

Understanding local Affordable Housing needs

Before considering the use of council operational land for affordable housing initiatives, it is helpful to gather up to date data on local housing needs. This will support the council's

decision-making process, partnership development and the pursuit of funding opportunities. Table 1 below provides data sources that may assist with determining housing needs.

Table 1: Data sources for determining housing needs and opportunities

Category	Considerations
Demographic Analysis	Consider including a demographic breakdown of the local population, highlighting groups that may have specific housing needs, such as essential workers, seniors, families, individuals with disabilities, or indigenous communities.
Economic and employment data	Incorporate data on local employment opportunities, wage levels, and job sectors. This information can help identify income levels and employment stability in your area, which directly impact affordable housing requirements.
Major developments	Consider major employment generating developments that are being planned in the local area as these will also impact on housing demands.
Current housing inventory	Provide an overview of the community's existing housing stock, including the types of housing (apartments, single-family homes, etc.), condition, occupancy rates, and affordability status. Consider in addition, the availability of social and affordable housing.
Homelessness statistics	Include data on homelessness in the community, detailing the number of homeless individuals or families and their specific needs.
Public transport and infrastructure	Evaluate the accessibility of public transport and essential infrastructure, as proximity to these amenities can influence housing preferences and needs.
Market conditions	Analyse local housing market conditions, including trends in property values, rental rates, and market demand. This information can help assess whether there is a gap between market-rate housing and what residents can afford.
Community surveys and feedback	If available, incorporate the results of community surveys or feedback sessions that gauge local sentiment on affordable housing. This can provide valuable insights into community priorities and concerns.
Future population projections	Consider including population growth projections for the area, as they can help anticipate future housing demands and requirements.

Category	Considerations
Government Policies and Regulations	Discuss any relevant state or local government policies, incentives, or regulations that impact affordable housing initiatives in the region.
Partnerships and stakeholders	Highlight key stakeholders and partners in the community, such as non-profit organisations, housing developers, or advocacy groups, who can play a role in addressing affordable housing needs.
Case studies	Share success stories or case studies from other areas that have effectively addressed local affordable housing needs. This can provide inspiration and guidance for your own initiatives.
Mapping tools	Consider including maps or geographical information system (GIS) data that illustrate housing affordability, proximity to amenities, or areas with the greatest housing need. Visual representations can be powerful tools for conveying information.

Much of this data may already be available from councils' work in implementing their Community Engagement Strategy as part of developing their Community Strategic Plan, their Local Strategic Planning Statements and other plans (for example, it may be included in the councils Integrated Planning and Reporting Framework).

In some cases, councils are additionally required to prepare Local Housing Strategies to translate the housing objectives identified through their Integrated Planning and Reporting Framework, their Local Strategic Planning Statements, as well as regional and district housing targets, into detailed plans that can be implemented at the local level.

The [Local Housing Strategy Guideline](#) and template is available to help councils prepare these strategies and set them out in a consistent format.

Affordable housing policies can be drawn from the Integrated Planning and Reporting Framework and be integrated into various planning documents, such as councils' Delivery Programs, Operational Plans, Local Housing Strategies, Local Strategic Planning Statements, or dedicated social and affordable housing strategies or policies, depending on the councils approach.

Local councils know their local communities best which make them well placed to facilitate housing solutions that respond to local needs

The [Local Government Housing Kit](#) provides data and evidence on affordable housing need and provides examples and advice on establishing a clear vision for affordable housing. More resources for building the local evidence base are at the end of this guide.

By combining affordable housing policies with ongoing community engagement efforts, councils can foster more positive community perceptions of affordable housing. This proactive approach makes it easier for councils to assess affordable housing developments positively, mitigating potential community opposition.

How to identify suitable land for Affordable Housing

Local councils generally have a good understanding of operational land that may be suitable for use as affordable housing, such as land located in areas that are well serviced, in close proximity to amenities and have convenient access to public transport. Table 2 below outlines criteria that should be used to identify potential land parcels for release, development and delivery of affordable housing.

Table 2: Criteria and considerations for identifying suitable land

Criteria	Considerations
Adequate size	Ensure the land is of sufficient size (typically more than 800 square metres) to accommodate affordable housing projects. It is worth considering instances where merging adjacent parcels into a single site could enhance the development's overall viability and impact.
Zoning compatibility	Verify that the land is, or can be, appropriately zoned to allow for residential housing development.
Yield potential	Assess the land's yield potential based on factors like size and permissible building height, which may accommodate multi-dwelling or residential flat building configurations.
Proximity to essentials	Seek locations within 800 meters of a town centre or 1,200 meters of a major transport hub or assess accessibility using the Public Transport Accessibility Level (PTAL) to ensure convenient public transport access.
Adequate road access	Confirm that the land has or is able to secure suitable road access, such as sealed roads, dual lanes, or arterial roads.
Nearby services and amenities	Consider the land's proximity to shopping facilities, medical services, and other essential amenities.

Criteria	Considerations
Infrastructure availability	Ensure the presence of essential infrastructure, including water, power, and sewer systems is, or that it will be available.
Community need	Examine whether the land is situated in areas with a high percentage of low-income households, small renting households, or where there is a demonstrated need for affordable housing. Note: Councils should look holistically at opportunities across their local government area as affordable housing tends to be spread across the area. In areas of undersupply, there may be no development opportunities however there may be opportunities in other locations not exhibiting a current need. In addition, areas with low percentage of low-income households may be evidence of a lack of affordable housing supply which is preventing low-income households from locating there.
Environmental considerations	Evaluate potential environmental constraints, such as flood risk, bushfire danger, contamination potential, and the biodiversity value of the land.

Access Land iQ to identify sites

Councils have been granted access to the Land iQ platform, with all 128 councils provided a single license to access the system. Land iQ provides advanced, multiple-criteria site searching including land size, planning controls, constraints, infrastructure and proximity to services to help find potential sites for particular land uses, or test particular sites for different land uses.

To find out more contact the team at Land iQ via the [Land iQ Help Desk](#).

Councils should contact Homes NSW and Landcom to discuss and prioritise land parcels. Contact details are available at the end of this guide.

Prioritising Affordable Housing project sites

Further criteria can be considered when prioritising potential sites for affordable housing initiatives. Table 3 below outlines several factors that may assist with this process.

Table 3: Additional factors for assessing site suitability

Criteria	Factors
Optimising affordable housing quantity	Assess the potential of the affordable housing project to maximise the number of high-quality affordable homes.
Serving diverse communities	Evaluate the project's ability to cater to the housing needs of very low to moderate-income households, including those from diverse backgrounds and communities. For example, consider what other needs those households have such as access to public transport, education, community and other support services.
Alignment with local strategies	Consider how the project aligns with local strategic planning, housing strategies, and established targets.
Enhancing neighbourhoods	Examine the potential for the project to contribute to place-making and enhance the local neighbourhood by introducing greater housing diversity.
Community support	Gauge the level of community support and engagement for the proposed project.
Suitability of current planning controls over the site and need for rezoning	Assess the financial feasibility of developing and maintaining quality affordable housing, ensuring its long-term sustainability and financial viability. Consider development permissibility and capacity of current planning controls and whether the site can accommodate additional density.
Timely completion	Consider whether the project can be completed within reasonable timeframes to address housing needs promptly.

The NSW Movement and Place Built Environment Indicators is a useful resource to plan and evaluate the suitability of a project site. Councils may also choose to engage suitably qualified professionals, such as urban design and architectural consultants, to conduct in-depth neighbourhood and site studies for site assessment and prioritisation.

The process of prioritising sites can be streamlined if council has made clear decisions on its expectations for the delivery of affordable housing on council owned land.

For example:

- Does the council expect to make any financial return on its land? Note the risk of an expectation of financial return eroding the feasibility of affordable housing or limiting opportunities.

- Does the council want to facilitate affordable housing for a specific cohort/s?
- Is there an appetite to deliver some private market housing as part of the project or does the council want to maximise the affordable housing outcomes?

Confirming councils' strategic direction when using land for affordable housing

Recent research produced by the [Paxon Group Report](#) and commissioned by the Community Housing Industry Association NSW reveal that "Local Councils generally recognise it was preferred to have a property development that consisted entirely of affordable housing dwellings, rather than it having a mixture of private/market and affordable housing because of the negative effect of strata fees on project economics, the challenges of obtaining economies of scale and the resource intensity of having to manage affordable housing that is scattered throughout larger property developments that contain very limited affordable housing." The Community Housing Industry Association is of the view that this appears to be more an issue with developer contributions where affordable housing is delivered in-kind as part of a larger strata development. Purpose built mixed tenure projects delivered by community housing providers and or councils can address the drawbacks as they tend to have a larger component of affordable housing and less fragmented ownership. They are purpose built and can address operational issues up front through the design process.

Central Coast Council has a commitment to fostering mixed-tenure developments encompassing social, affordable, and private rental/owner-occupied components through its Affordable and Alternative Housing Strategy. Council considered this approach important to "improve social inclusion, reduce stigma and have the ability to cross subsidise the social or alternative housing components of a development."

It is important to identify the council's expectations for affordable housing developments at the outset. This will help streamline decision-making processes throughout the project's lifecycle, ensuring clarity, and alignment in pursuit of affordable housing.

Partnerships for maximising affordable housing impact

Local councils are encouraged to explore strategic partnerships with various entities, including government agencies like Landcom and Homes NSW, Housing Providers and Aboriginal Land Councils. These organisations possess the necessary resources, expertise, legislative authority, regulatory oversight and reporting requirements, and delivery frameworks to facilitate the development and long-term management of affordable housing.

Partnering with a Housing Provider can optimise affordable housing delivery by enabling them to access financing from commercial lenders, institution investors or Housing Australia

especially when favourable land ownership arrangements, grant funding, or other concessional terms are available.

Aboriginal Community Housing Providers are expanding in size and capabilities, with some having access to land resources, as many Aboriginal Land Councils are now registered under the National Regulatory System for Community Housing (NRSCH) or the NSW Local Scheme.

Additionally, councils may consider partnerships with private sector developers and not-for-profit organisations to achieve affordable housing goals, noting that most community housing providers are not-for-profit.

For guidance on such collaborations, councils should refer to the [Public Private Partnership \(PPP\) Guidelines](#), which can be found on the Office of Local Government website.

These legislative guidelines outline the procedures councils must follow when considering or implementing PPPs for infrastructure and service delivery, ensuring compliance with the Act's requirements.

Advantages of partnering with housing providers

- **Innovation and sustainability:** At the forefront of innovative housing design, construction, environmental sustainability, and long-term asset management.
- **Specialised expertise:** Unique expertise, innovation, and a track record in delivering and managing high-quality affordable housing tailored to local needs on council-owned land.
- **Regulatory oversight:** Highly regulated by the NSW Registrar of Community Housing, ensuring adherence to industry standards.
- **Alignment with local needs:** Housing providers are motivated to collaborate with councils as council-owned land often aligns with local needs and is well located, enhancing project feasibility by attracting funding and investments.
- **Participation in urban renewal:** Many housing providers actively participate in various State Government urban renewal initiatives.
- **Social support:** Community housing providers integrate support services alongside tenancy management. This focuses on community building, tenant wellbeing, sustaining tenancies, and improving opportunities. This can result in tenants transitioning into the private housing market and in some cases in achieving home ownership. Local community housing providers can also provide benefits through active local management.

- **Concessions:** Most housing providers are not-for-profit with charitable purposes. They also have access to tax concessions which reduces the cost of delivery, compared to partnering with the private sector.

Community housing providers represent a key partner for councils in delivering affordable housing projects as they can bring debt and equity as well as greater access to grant funding. Homes NSW is the NSW Government agency that maintains relationships with community housing providers including performance management where government funding or contributions are provided.

Homes NSW can also support councils with end-to-end delivery processes including tendering and contracting, reducing complexity and costly duplication in commissioning infrastructure while also reducing costs to community housing providers.

Program data over recent years from Homes NSW demonstrates that Housing Provider involvement significantly boosts overall funds for affordable housing projects, as demonstrated in the table below.

Table 4: Analysis of Government funding programs and CHP contributions

Government Program	DCJ Grant	CHP Contribution	Total Government Investment
Affordable Housing Innovations Fund 2007	55.5%	44.5% (12.6% contribution and 31.9% debt)	\$24.3M
Social Housing Growth Fund 2009	70%	30%	\$182.6M
Community Housing Innovation Fund Programs 2021 to 2025	51.61%	49.39%	\$308.7M

Leveraging capital through Housing Australia

Traditionally, housing assistance programs have been channelled through Housing Providers. However, local governments in NSW now have an additional avenue to explore. They can seek support from Housing Australia for concessional loans, grants, or equity finance.

These financial resources can be instrumental in funding social and affordable housing projects, as well as the critical enabling infrastructure required to bring these projects to fruition. Local councils have the flexibility to apply for Housing Australia funding independently or choose to collaborate with Housing Providers.

Housing Australia oversees the implementation of the Federal Government's commitments, which form a part of the substantial \$10 billion Housing Australia Future Fund. These changes signify a significant development in the landscape of affordable housing financing, opening up exciting opportunities for local councils to make meaningful strides in addressing housing challenges.

The [National Housing Infrastructure Facility Social and Affordable Housing](#) also provides an avenue for local councils to access financing for affordable housing.

Options to release and manage operational land for Affordable Housing

Councils should assess the advantages and potential drawbacks of various approaches for releasing and managing operational land for affordable housing, as detailed in Tables 5 and 6 below. It is also essential for councils to consider their obligations under the *Local Government Act 1993* (LG Act), which mandates specific actions when councils are:

- exercising functions (s355) providing financial assistance (s356)
- forming a corporation, partnership, trust, joint venture or other entity (s358) considering a Public Private Partnership (ss 400B-400N).

Councils should seek independent legal counsel for expert advice to ensure they are meeting the legislative requirements under the LG Act, and other relevant laws, when considering releasing and managing land for affordable housing.

The Homes NSW Programs and Partnerships branch can offer support to councils in various ways:

- Facilitating land transaction agreements with Housing Providers and other partners
- Securing council contributions for affordable housing in perpetuity, including land
- Ensuring ongoing performance oversight of Housing Providers in the management of affordable housing projects.

Once land is identified (very early in the affordable housing planning phase) – a council must decide how they will release operational land for affordable housing. The following tables provide options to release operational land for affordable housing as well as options to develop and manage affordable housing projects.

Table 5: Options to release operational land for Affordable Housing

Options	Advantages	Disadvantages
<p>Sale at a discount: Provides financial return to councils.</p> <p>Not suitable where preferred Housing Provider cannot finance the purchase.</p>	<ul style="list-style-type: none"> • Provides a financial return in addition to socio outcomes (depending on discount, interest and capacity of Housing Provider to purchase) • Agreement terms can ensure delivery and prudential management of project • Agreement can also ensure a council's registerable interest over land means that the land value is reinvested for affordable housing in perpetuity • Relatively simple and quick • Low financial risk • CHP can leverage equity and grow affordable housing stock • May suit larger projects with a community housing provider or private developer. 	<ul style="list-style-type: none"> • Discount may be unfeasible for Housing Provider or insufficient to deliver optimal affordable housing outcomes • Tendering complexity in determining discount • Council must transfer land from its ownership, reducing its land stock • Potential reputational risk of public land sale even though the sale is for a use that delivers a tangible public benefit • Potential failure if the Housing Provider is not carefully chosen or the agreement is not carefully brokered.

Options	Advantages	Disadvantages
<p>Gifting: Council decides to transfer the land from ownership for no monetary benefit</p> <p>Suitable where council has limited resources to administer disposal, development or manage the construction, where there is an urgency to release land for affordable housing or where council prefers a simple, quick option with low financial risk.</p>	<ul style="list-style-type: none"> • Maximises socio-economic value or land for public benefit • Removes land supply barriers. CHP can leverage equity and grow affordable housing stock • Provides large contribution by council towards affordable housing in the form of developable land • Provides maximum support to the feasibility of the affordable housing development • Minimises monetary cost to council as construction costs are generally met by Housing Provider through borrowings, equity or grants • Relieves council from ongoing costs of ownership such as maintenance, asset recycling and insurances • Agreement terms can ensure delivery and prudential long-term project management • Investment may be made secure – council or Homes NSW may place a registerable interest over land, so land value is reinvested for affordable housing in perpetuity and require consent for any future asset recycling • If the Housing Provider ceases to exist or winds up, national community housing law requires ownership of community housing assets to be transferred to another Housing Provider or the housing agency • Simplest and quickest option • Low financial risk. 	<ul style="list-style-type: none"> • Council must transfer land from its ownership, reducing its land stock • Perception of there being no financial return from land to bolster council’s financial position and/or invest in other community priorities in the future even though councils are increasing and securing affordable housing stock • Potential reputational risk of gifting public land, even though the sale is for a use that delivers a tangible public benefit • Failure if the Housing Provider is not carefully chosen or agreement is not carefully brokered.

Options	Advantages	Disadvantages
<p>Leasing: Long term lease at peppercorn/discount rent</p> <p>Suitable where a council's key objective is to retain the asset, or where there is a complex transfer, or where there is an expectation that the land will be returned to council in the future.</p>	<ul style="list-style-type: none"> • Council retains ownership of the land and regains control or it at the end of the agreed lease period • Lease terms can ensure delivery of project and ongoing maintenance during lease term and how (in what state) assets will be returned to the council • Allows for future council and community to decide to take back land. 	<ul style="list-style-type: none"> • Housing Provider's lack of ownership and lease tenure would impact project feasibility as land cannot be used to secure finance and restrict access to grant funding. This limits the ability for additional affordable housing to be leveraged in the future • Housing Providers may be less willing to invest as this may impact feasibility of affordable housing • Need to consider the transition of tenancies and land and asset condition at end of lease • Affordable housing may not be retained in perpetuity • Implications to council from ongoing costs of ownership such as maintenance, asset recycling, depreciation and insurances. Potential funding gap between operating costs and rental revenue. • Potentially classified as a Public Private Partnership (PPP) under the LG Act. If so, this results in onerous requirements and potentially significant legal costs for council.

Options	Advantages	Disadvantages
<p>Joint Venture/Partnership: Requires an active council role in development decision making, risks and rewards sharing in accordance with the LG Act.</p> <p>Suited to large scale redevelopments and multiple sites.</p>	<ul style="list-style-type: none"> • Council retains active role in decision making and control to ensure delivery • Council shares cost with partner • It may be more appropriate for sites suited to a range of public benefit not just affordable housing and best supported by joint venture and shared assets and costs. 	<ul style="list-style-type: none"> • Council may lack the expertise to co-manage • More complex and resource intensive • Requires Ministerial approval is Special Purpose Vehicle (such as a corporation or trust) or a significant Public Private Partnership (PPP) of over \$50M is to be used <p>Note: See OLG Guidelines for ‘Formation of Corporations and Entities’ and Public Private Partnerships (PPP) Guidelines.</p>

During the affordable housing planning phase – a council must decide which project and management option will best facilitate the development, delivery and maintenance of quality affordable housing.

Table 6: Options to develop and manage affordable housing projects

Options	Advantages	Disadvantages
<p>Management by an Affordable Housing Provider</p> <ul style="list-style-type: none"> • Potentially complex to establish/administer • Potential for council to become a registered CHP 	<ul style="list-style-type: none"> • Housing Providers are expert, prudent affordable housing managers • Housing Providers also have efficiencies of scale from managing a larger portfolio of properties than just those delivered by the council. They also are entitled to GST and land tax concessions which reduce operating costs. • Attracts funding and finance free of covenants • Provides long-term, regulated management of affordable housing assets • Investment in community housing into the future is secure. Council or Homes NSW may place a statutory interest over land so land value is reinvested for affordable housing in perpetuity, and may require consent for any future asset recycling • If the Housing provider ceases to exist or is wound up, national community housing law requires ownership of community housing assets to be transferred to another Housing Provider or housing agency • Provides flexibility in where the affordable housing is located over time which can help optimise Housing Provider viability and can be more responsive to tenants' and local housing needs 	<ul style="list-style-type: none"> • Affordable housing not 'locked in' to a specific piece of land. It can be moved to a new parcel of land or elsewhere within the LGA over time. However, it would generally be a condition of development consent that the project provides affordable housing in perpetuity and a positive covenant or registered interest is placed on the land.

Options	Advantages	Disadvantages
<p>Management by a Joint Venture entity (i.e. via a Legal Agreement):</p> <ul style="list-style-type: none"> Section 358 or 400(d) of the LG Act may apply, requiring prior approval from the Minister for Local government 	<ul style="list-style-type: none"> Common mechanism to secure agreement between parties Range of legal agreements that can be structured to needs (such as contract for sale, lease, voluntary planning agreements, etc.) Council maintains a level of control over operational matters Council can require statutory interest in value of land to be used for affordable housing in perpetuity and consent for asset transfer if a Housing Provider is wound up Council and Housing Provider responsible if issues arise Non-compliance with the agreement can be pursued through courts. 	<ul style="list-style-type: none"> May be time and resource intensive to reach agreement and seek Ministerial approval Can be difficult to amend Requires council expertise and active monitoring over time Council takes on a degree of risk and liability with respect to the development and ongoing management of the housing component.
<p>Management through a Special Purpose Vehicle (For example, Land Trust)</p> <ul style="list-style-type: none"> Section 358 or 400(d) of the LG Act may apply, requiring prior approval from the Minister for Local government Trusts of this nature may typically be a community or non-for-profit entity 	<ul style="list-style-type: none"> Keeps at 'arm's length' the development, liabilities and risk from the council Can have a specific focus, such as development of certain types of affordable housing within the LGA May be able to receive council assets without council requiring an open procurement process May be able to be structured as a charitable entity with financial concessions and benefits An incorporated company could be the trustee of the trust, it can be a company limited by a guarantee The Board of Directors can include representation from council, Housing Provider and representative from investment part, and/or the community. 	<ul style="list-style-type: none"> If a Public Private Partnership, council remains responsible for issues Significant cost and process to establish and resource over time Once assets are transferred, they are no longer owned by council Generally, only assets within the Special Purpose Vehicle can be used for borrowing Requires careful consideration and legal and taxation advice to ensure charitable status Additional decision-making layer, increased resourcing and risk for the Housing Provider.

Options	Advantages	Disadvantages
<p>Management by Council</p>	<ul style="list-style-type: none"> • Council retains complete control over the building and management of the affordable housing project into the future • Council ownership and control may be a positive for the community. 	<ul style="list-style-type: none"> • Developing and managing affordable housing is not a primary role for a council • Council may lack the expertise and funds to build and manage affordable housing • Implications to council from ongoing costs of ownership such as maintenance, asset recycling, depreciation and insurances. Potential funding gap between operating costs and rental revenue. • Project cannot leverage off the borrowing power of a Housing Provider

Table 7: Key steps to use suitable operational land for affordable housing in partnership with Housing Providers

Key Steps	Helpful Contacts	Resources
<p>1: Audit Council's operational land to assess potential sites</p> <ul style="list-style-type: none"> Is an affordable housing project in line with Council's Community Strategic Plan, land use plan and housing strategies? Is potentially suitable land available in an appropriate place, close to support services, public transport etc.? Does the potential land meet Council's criteria for affordable housing? (see Table 2) Does the project have the potential to be supported by the community, subject to design, operation etc.? <p>Tip: If no operational land is suitable, consider other affordable housing incentives such as reclassifying land, using planning levers or streamlining approval processes for affordable housing developments.</p>	<p>Homes NSW</p> <p>NSW Planning Portal</p> <p>DPHI Planning</p> <p>Land iQ</p>	
<p>2: Site prioritisation and feasibility assessment</p> <ul style="list-style-type: none"> Talk to Homes NSW to obtain and adapt existing site feasibility assessment tools for affordable housing or engage an expert Consider site suitability against Council's criteria for affordable housing projects Consider initial discussions with local Housing Providers to gauge viability, objectives and identify potential roadblocks before significant investment. <p>Tip: Look for affordable housing grants that may be available at this stage or a later stage of the project.</p>	<p>Homes NSW</p> <p>DPHI Planning</p>	<p>Site feasibility assessment tool</p> <p>Council's criteria for the affordable housing project</p> <p>Government Architect NSW advisory notes</p>

Key Steps	Helpful Contacts	Resources
<p>3: Determine key partners to support delivery and decide land transaction and management options (Tables 5 & 6 above)</p> <ul style="list-style-type: none"> • Clarify legal requirements • Consider potential title transfer processes (if applicable) • Get independent legal advice on options • Contact Homes NSW to discuss options, potential Housing Provider partners and get support to negotiate land transaction and project management agreements. <p>Tip: Bring the likely Housing Provider partner/s into the conversation as early possible to get their expert input.</p>	<p>Homes NSW DPHI Planning</p>	<p>Site feasibility assessment tool</p> <p>Council's criteria for the affordable housing project</p> <p>Government Architect NSW advisory notes</p> <p>Community Housing Industry Association (CHIA NSW) local council resources</p>

Key Steps	Helpful Contacts	Resources
<p>4: Development – Procurement Phase</p> <p>Prepare project feasibility assessment</p> <ul style="list-style-type: none"> Determine project cost, timeframes, impacts, risks and feasibility Assess legal and regulatory considerations Consider engaging suitably qualified professionals to undertake neighbourhood and site studies such as property development consultants, urban design and architectural consultants. <p>Matters for Consideration</p> <p>Value Reinvestment: This is a consideration in council's approach to developing land and seeking development partners. Councils should explore strategies for ensuring ongoing reinvestment of the value of their contribution to affordable housing within the local government area, particularly if the affordable housing is ever sold or repurposed.</p> <p>Social and economic impact: Analyse opportunities to maximise the project's social and economic impact.</p> <p>Regulatory compliance: Ensure the project adheres to all relevant regulatory requirements and standards.</p> <p>Risk mitigation: Implement measures to minimise various risks to the council, including financial, reputational, operational, and outcome-related risks.</p>	<p>DPHI</p> <p>Homes NSW and Housing Provider</p> <p>Consider engaging experts</p>	

Key Steps	Helpful Contacts	Resources
<p>5: Consult with community about proposed option/s, finalise and approve best option</p> <ul style="list-style-type: none"> • Prepare a consultation and engagement plan • Keep the community informed and consulted throughout the process about what Council is proposing and why Present preferred option to Council for approval to proceed. <p>Tip: Early consultation with the community helps remove or manage concerns, or perceptions about affordable housing projects, and speeds up the DA process. Noting that community consultation on affordable housing projects is often challenging and requires considered planning. Resources are available to assist with community conversations.</p> <p>This step will largely depend on the partnership model chosen by council - council could select a partner first and undertake this work with the partner or seek proposals from prospective partners as part of an EOI/tendering process.</p>	<p>CHIA NSW Homes NSW</p>	<p>CHIA resources for local councils</p>
<p>6: Finalise contractual arrangements with key partners and establish governance arrangements</p> <ul style="list-style-type: none"> • Broker agreement/s with the Housing Provider and/or other partners with Homes NSW support to maximise project success and ensure Council's investment is safe • Establish Steering Group or appropriate governance structure and report regularly to Council • Identify grants or other funding opportunities with partners. <p>Tip: Regular meetings with key partners including the Housing Provider can keep the project on track.</p>	<p>Homes NSW and Housing Provider CHIA NSW</p>	<p>CHIA NSW resources for local councils</p>

Key Steps	Helpful Contacts	Resources
<p>7: Concept design</p> <ul style="list-style-type: none"> Work with the Housing Provider and community to develop concept design, including the look, feel, number and mix of affordable housing units <p>Tip: Check-in with the local community at this point to gather input to the design and help build community support for the project.</p>	CHIA NSW	CHIA NSW's Affordable Housing Toolkit
<p>8: Pursue grant opportunities and prepare documents for applications</p> <ul style="list-style-type: none"> Research eligibility requirements Prepare and submit relevant documentation <p>This will depend on the delivery model the selected partner may do this instead of council.</p> <p>Tip: Consider seeking expert advice to prepare supporting material.</p>	Homes NSW	
<p>9: Construction tender and build</p> <ul style="list-style-type: none"> Tender for building partners and commences build (after Planning Consent - see Step 10) Steering/Project Governance Group meets regularly to oversee construction is occurring to time, budget and specification <p>This will depend on the delivery model the selected partner may do this instead of council.</p> <p>Tip: Consider setting up a website or webpage to communicate project timeframes, costs, progress and outcomes.</p>	Homes NSW and Housing Provider CHIA NSW	

Key Steps	Helpful Contacts	Resources
<p>10: Planning Consent (Development Application Assessment)</p> <ul style="list-style-type: none"> • Submit all relevant documentation, including plans to the consent authority • Negotiate and consult on any changes required • Conduct public notification of the development as required • Consider a pre-DA meeting with consent authority. • Submit final plans for approval to consent authority • Obtain a Construction Certificate <p>Tip: Contact DPHI Planning or Council to ask about fast-track approval options. A process of community consultation and engagement before public notification can help build community support for the project and prevent objections.</p>	<p>Homes NSW and Housing Provider CHIA NSW</p>	<p>CHIA NSW – Resources for local councils</p>
<p>11: Implementation and maintenance</p> <ul style="list-style-type: none"> • Tenant selection process by Housing Provider according to agreed policy on priority and need • Regular meeting of Steering/Project Governance Group to ensure smooth implementation and maintenance, as agreed and depending on model approach • Communications, including media release and opening 	<p>Funding bodies regarding communications</p>	

Key Steps	Helpful Contacts	Resources
<p>12: Monitoring and Evaluation</p> <ul style="list-style-type: none">Steering/Project Governance Group agrees KPIs and monitoring and evaluation strategy to ensure project is meeting ongoing affordable housing needs locally <p>Tip: Agree KPIs, monitoring and evaluation strategy early on.</p>	Homes NSW	National Regulatory Code for the National Regulatory System for Community Housing

Case studies

Coomea Street, Bomaderry – Shoalhaven City Council

The Coomea Street project in Bomaderry is a testament to the successful collaboration between Shoalhaven City Council (SCC), Southern Cross Housing (SCH), and the NSW Department of Communities & Justice (DCJ), now Homes NSW. This partnership is transforming Council operational land in Coomea Street, Bomaderry, into a new development featuring 39 affordable housing units of varying sizes, ranging from 1 to 3 bedrooms.

In 2017, as part of its original Affordable Housing Strategy work, SCC worked with key partners, including SCH, Property Council of Australia, Edmiston Jones Architects, and the community, to initially identify and consider the potential of three parcels of existing operational land. These parcels were originally acquired by SCC in the 1980s to provide potential additional car parking for the Bomaderry CBD in the longer term and were occupied by older fibro dwellings.

Council and its key partners envisioned a more impactful use for the Bomaderry site through an innovative exemplar affordable housing project. An initial two-day workshop involving key stakeholders led to the design of a hypothetical project on the proposed site. SCC subsequently acquired two adjacent properties to create a larger developable parcel and, after evaluating various options, generously gifted the entire site, valued at approximately \$2.25 million to SCH.

With the support of DCJ, SCC negotiated a Community Housing Assistance Agreement to transfer the operational land to the affordable housing provider (SCH).

The agreement includes stringent contractual assurances for the maintenance of community housing stock in perpetuity.

The gifting was complemented by DCJ's funding through a NSW government Community Housing Innovation Grant Fund. Funding was also obtained to facilitate the timely assessment of the project's Development Application (DA), which involved approval from the Regional Planning Panel. SCH covered the significant remaining project costs, and SCC refunded the DA fees. The project funding breakdown is as follows:

- SCC \$ 2.25 million
- DCJ \$ 4.8 million
- SCH \$13+ million.

Early community consultations on concept and design work helped streamline the DA process. Each dwelling within the development is fully self-contained, with private open spaces, parking spaces, outdoor community gardens, a BBQ area, and a children's playground.

A local builder from the Illawarra South Coast has completed construction work. The development will be officially opened early in 2026. This project, enriched by extensive community engagement, is overseen by an experienced steering group composed of SCH, SCC, and DCJ.

For further information, please contact the Homes NSW at CAH@homrd.nsw.gov.au or Shoalhaven City Council at council@shoalhaven.nsw.gov.au.

Images of Coomea Street development





Goonellabah Projects - Lismore City Council

Lismore City Council's plan to increase the availability of affordable housing in the region has come to fruition through a strategic partnership involving the Council itself, the NSW Government's Landcom, the DCJ (now Homes NSW), and a Community Housing Provider.

This collaborative effort will result in the construction of 56 new affordable housing units, representing a total investment of \$20 million.

Landcom, Council and the CHP have entered into a Heads of Agreement to oversee the development of these units, with 16 units to be situated on Bristol Circuit in Goonellabah exclusively for key workers.

Council is looking for a 'land for housing swap' at this site so it will end up potentially owning two of the dwellings.

This is a quite unique case study in that Council has an MoU with the Federal Government to use unexpended funds from a historic grant, Building Better Regional Cities (BBRC) specifically on affordable housing initiatives. Council's contribution to this project is the land and \$2.5 million from the BBRC funds.

The site at Cynthia Wilson Drive, is also in Goonellabah and it is likely to generate around 40 dwellings. Council is contributing the land as a gift, while DCJ will provide \$5 million in support of the development.

The Northern Rivers Reconstruction Corporation is also making a valuable contribution of \$2.5 million that can be utilised across both sites.

As per the Heads of Agreement, Landcom will assume the role of project manager for both sites, while the housing units will be owned and/or managed by a CHP. This arrangement ensures that the council incurs no ongoing maintenance or property management costs, and it is not required to contribute to the construction expenses. Furthermore, this collaborative

effort empowers the CHP to leverage these new developments as collateral for securing additional funding for future affordable housing initiatives.

For more information contact Homes NSW at CAH@homes.nsw.gov.au or Lismore Council at council@lismore.nsw.gov.au.

11 Gibbons Street Redfern - City of Sydney

In July 2016, the City of Sydney granted conditional approval for the sale of the Redfern depot site at 11 Gibbons Street for the delivery of social and affordable housing dwellings. Like many affordable housing projects, delivery relied on the layering of contributions from multiple sources. In addition to Council selling the land at a significant discount, the project required funding from the NSW Social and Affordable Housing Fund to facilitate the creation of 162 units (42 social housing and 120 affordable housing units).

The land was surplus to the City of Sydney's requirements after the consolidation of a number of former depots into a new facility to better service the local government area.

The sale of the land for affordable housing was at a discount in recognition of the importance of affordable housing and the commitment of the City of Sydney to support the provision of affordable housing. The Council placed a covenant on title to ensure that the site was used for affordable housing in perpetuity as the need for affordable housing is ongoing.

This project marked the transformation of the depot into a thriving urban renewal initiative in the heart of Redfern. Completed in June 2021, the 18-storey building, comprises 162 units.

Among these, 27 units are adaptable for residents with disabilities, and 45% of the units are occupied by First Nations people, acknowledging Redfern's cultural significance, exceeding an original target of 25 per cent.

The development includes a ground floor commercial space, community recreation spaces and a playground. The building features "The Way Home" by an Aboriginal artist, Joe Hurst and is a symbol of connection and country for the Redfern community. Notably, the building meets an average 8-star rating under the Nationwide House Energy Rating Scheme (NatHERS) and is owned and managed by St George Community Housing.

For further information contact City of Sydney at council@cityofsydney.nsw.gov.au.

Images of development at 11 Gibbons Street, Redfern



Exterior of 11 Gibbons Street, Redfern



Interior of 11 Gibbons Street, Redfern



Lobby of 11 Gibbons Street, Redfern



Play area at 11 Gibbons Street, Redfern

Key contacts and resources

Key contacts

Agency/Department	Details
Department of Planning, Housing and Infrastructure NSW Government	
Crown Lands	Website: Home Crown Lands Strategic Policy Team strategicprojects@crowmland.nsw.gov.au
Land iQ	Website: https://www.nsw.gov.au/departments-and-agencies/property-and-development-nsw/what-we-do/strategy-analytics-and-policy/land-iq Email: landiq@dpie.nsw.gov.au
Office of Local Government	Website: https://www.olg.nsw.gov.au/ Email: olg@olg.nsw.gov.au
Planning NSW	Website: Home Planning Welcome to the NSW Planning Portal Planning Portal - Department of Planning and Environment Email: housingpolicy@planning.nsw.gov.au
Homes NSW NSW Government	
Aboriginal Housing Office	Contact us Aboriginal Housing Office requests@aho.nsw.gov.au

Agency/Department	Details
Homes NSW Programs and Partnerships	Email: homesnsw-oceo@homes.nsw.gov.au Websites: Information on understanding affordable rental housing; Plan; Develop; Manage; Rent affordable housing and Homes NSW working with Councils: https://www.nsw.gov.au/housing-and-construction/social-affordable/affordable-rental-housing/understand The Local Government Housing Kit and Database: https://dcj.nsw.gov.au/about-us/families-and-communities-statistics/nsw-local-government-housing-kit.html
Land and Housing Corporation	Website Webform: https://www.dpie.nsw.gov.au/land-and-housing-corporation/contact-us Locked Bag 5022 Parramatta NSW 2124
Registrar of Community Housing	Registrar of Community Housing NSW Government
Government Architect NSW Planning	
Government Architect Data and insights Policy and Legislation	Plans for your area Planning Policy and legislation Planning Email government.architect@planning.nsw.gov.au or phone 02 9860 1450 .

Resources

The resources below provide information about the legislative framework, incentives, and requirements to supply affordable and diverse housing in NSW.

Resource	Description
<u>NSW Affordable Housing Ministerial Guidelines</u>	Describes the framework for delivering affordable housing developed with financial assistance from the NSW Government or under state planning and is owned or managed by registered community housing providers.
<u>Environmental Planning and Assessment Act, 1979</u>	The EP&A Act aims to promote affordable housing, allowing councils to set consent conditions for affordable housing contributions in their areas.
<u>State Environmental Planning Policy (SEPP)</u>	The Housing SEPP encourages diverse housing development, including affordable rental and short-term rental accommodation, in suitable locations for various communities at all life stages.
<u>Plan Affordable Rental Housing - Including planning agreements</u>	Information for councils on preserving and expanding affordable housing, emphasising negotiated planning agreements allowing developers to provide affordable housing in exchange for incentives like density bonuses or land contributions. Offers tools, support and information to plan and deliver affordable housing.
<u>Housing Snapshots</u>	District and regional housing snapshots to help councils, planners, housing providers, and others understand housing demand, markets, and supply in their area, aiding the development of housing strategies.
<u>Local Government Housing Kit</u>	Provides housing strategy guidance and essential data, aligning with Housing Snapshots for enhanced housing needs understanding and strategy support.
<u>Local Housing Strategy Guideline</u>	Guidelines for councils to develop Local Housing Strategies.
<u>Community Housing Industry Association NSW - Local Council Resources</u>	Resources for councils to collaborate with community housing providers on housing initiatives. Includes the CHIA NSW <u>Data Dashboard</u> which shows the spread of community housing across NSW including who they are owned and managed by, the numbers of social and affordable homes built and to be built in NSW, etc.
<u>Public Private Partnership (PPP) Guidelines</u>	Outlines council procedures when considering or using PPPs for infrastructure and services in compliance with the Act.

Resource	Description
<u>Formation of Corporations and Entities (Section 358) Guideline</u>	This guidance must be used when forming separate entities to deliver affordable housing.
<u>CHIA Local Council Partnerships for Provision of Affordable Housing</u>	<p>CHIA NSW has made available many other resources for local councils and can be found here: https://communityhousing.org.au/local-councils-and-community-housing/</p> <p>The implementation guide for councils is being launched soon. It touches on common operational questions councils have raised with respect to the delivery of affordable housing.</p>
<u>Affordable Housing Reference Guide</u>	Affordable housing guide developed by Urban Development Institute of Australia (UDIA) NSW with assistance from the Community Housing Industry Association NSW (CHIA NSW)
<u>The National Regulatory Code</u>	The National Regulatory Code for the National Regulatory System for Community Housing.

Mental Health Summit 2026 – DETAILED SUMMARY

The inaugural Mental Health Summit, convened by Tamworth Regional Council (TRC) **Councillor Charles Impey**, was held on Thursday **26th February 2026** at **Tamworth Community Centre** from **9am–12pm**

1. Introduction

The Tamworth Mental Health Summit was convened by **Councillor Charles Impey** to bring together the people, services and voices shaping mental health across the Tamworth region. The Summit created a rare opportunity for local providers, community organisations, lived experience advocates, educators, health professionals and government representatives to gather in one room, listen, and collaborate.

The morning opened with a warm Welcome to Country delivered by **Sharon Porter**, grounding the event in respect for Country, culture and community.

The Summit then featured presentations from:

- **Josefina Hofman, Psychologist** — on deep listening and listening to understand
- **Dale McDonald, Rosalie House, Base Five** — on community-based recovery
- **Dr Robyn Edleston, Veterinarian** — sharing professional and personal insights
- **Joan Wakeford & Jenny Regan** — sharing lived experience and navigating the mental health system
- **The Hon. Kevin Anderson MP** — on regional needs and government partnership

Attendees included representatives from **Anglicare, Auscare Support, Billabong Clubhouse, Business NSW, Carers NSW – Carer Gateway, Centacare, the Department of Communities and Justice (DCJ), Flourish Australia, Headspace, HealthWISE, Holistic Recovery, Lifeline, the Men’s Health Carers Support Group, Modern Community Solutions Armidale, the Mental Health Professionals Network (MHPN), Mosaic Multicultural Connections, New Horizons, Peel Healthcare, the Primary Health Network (PHN), Rosalie House, Services Australia, Social Futures, Sora Community Services, TAFE NSW, Tamworth Aboriginal Medical Services (TAMS), Tamworth Community College, Tamworth Regional Council (TRC), The Smith Family, the University of New England (UNE), the University of Newcastle, the University of Newcastle Department of Rural Health, Wesley Mission and Youth Insearch**, alongside a wide range of local mental health and community service providers. Also invited and/or present were representatives from education and training organisations, health professionals across public, private and NGO sectors, lived-experience community members, youth and family support organisations, local primary and secondary schools, church groups, community organisations, consultants, and local media.

In total, **approximately 120 attendees** participated.

The Summit was designed as an interactive forum, with each table working through guided questions and contributing handwritten notes, concerns, ideas and opportunities. These contributions form the basis of this **Mental Health 2026 - Detailed Summary**, as well as a 2-page **Executive Summary**.

Mental Health Summit 2026 – DETAILED SUMMARY

2. Purpose of the Summit

With Tamworth Regional Council's (TRC) endorsement, the Summit was created to bring the region's mental health ecosystem together, listen deeply to lived experience & frontline perspectives, identify gaps & opportunities, explore the appetite for a Strategic Working Group, test interest in a unified Mental Health Action Plan, understand workforce & training needs, discuss the Mindline concept, and build momentum for coordinated, community-led action.

3. Key Themes and Insights

Theme 1: Strong Support for a Strategic Working Group

Participants expressed overwhelming support for establishing a Strategic Regional Community Mental Health Working Group to coordinate efforts, reduce duplication, and provide a unified voice for the region.

What participants want

- Cross-sector representation including health, education, youth, First Nations, lived experience, smaller towns, police, ambulance, ED, housing, AOD, DV services. *(Noted to reach out to any organisations that were not part of this Summit.)*
- A purposeful, well-governed structure with clear Terms of Reference.
- A funded coordinator or secretariat to ensure continuity and accountability.
- Sub-groups for specialist areas (youth, workforce, trauma, rural outreach).
- Transparency, measurable outcomes, and regular reporting back to the community.
- A community-led approach with lived experience and youth voices embedded.

Why this matters

- Reduce silos and improve communication.
- Identify service gaps and duplication.
- Strengthen referral pathways.
- Advocate effectively to state and federal government.
- Share models of care and best practice.
- Provide a stable structure for long-term planning.

Concerns raised

- Risk of becoming "just another meeting."
- Need for sustainable funding.
- Ensuring representation is broad, not dominated by large services.
- Ensuring smaller communities are not overlooked.

Direct quotes include

"Resounding yes."

"People with decision-making ability... not large numbers."

"Be relevant to end users."

"Good governance, adequate feedback."

"Chair: MH practitioner. Co-chair: lived experience."

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Theme 2: A Unified Mental Health Action Plan / Strategic Plan

Participants strongly supported developing a single, coordinated Mental Health Action Plan for the region.

Key reasons

- Existing plans are scattered, siloed or not mental-health specific.
- Many plans exist but are “not activated.”
- Smaller communities want inclusion and visibility.
- A shared plan strengthens grant applications and advocacy.
- A unified plan creates accountability and direction.

What the community wants

- A plan informed by local people and frontline realities.
- A living document that is regularly updated.
- Integration with State strategies, including the **NSW Strategic Framework for Suicide Prevention 2022–2027**.
- Clear priorities, actions, timelines and responsibilities.
- Inclusion of workforce, service navigation, early intervention, cultural responsiveness, youth mental health, rural needs.

Direct quotes include:

“Plans are in various parts of the community — no action.”

“A fluent document that remains relevant and updated.”

“An integrated plan that’s independent and non-political.”

“Strategic plan priorities need to be informed by actual people in the community.”

Theme 3: Workforce & Training Needs

Addressing the workforce & training needs in relation to ‘mental health’ is a vast topic. With a clear focus on the workforce associated with mental health - **Workforce & Training Needs** was the most consistent issue and detailed theme across all tables.

Key issues

- Difficulty recruiting psychologists, psychiatrists, social workers, MH nurses.
- Lack of funded clinical supervisors → bottlenecks for new graduates.
- Burnout and turnover of MH professionals, plus the knock-on effect.
- Pay disparity between regional and metropolitan areas.
- Limited local training options and high qualification costs.
- Lack of adolescent counselling and complex care support.
- Limited training for frontline workers (police, ambos, receptionists, retail).
- Decision makers are not local (metro v regional) and have biases that impact our region.

Opportunities identified

- Scholarships, paid placements, rural incentives.
- Local delivery of MH-related courses (psychology, social work, counselling).
- Mental Health First Aid for the whole community.
- Accidental Counsellor training.
- Cultural training (Deadly Thinking).

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- Pathways for lived experience workers and migrant/refugee communities.
- Incentives for supervisors.
- Partnerships with UNE, TAFE, Tamworth Community College.
- Consider training needs for the broader community (family, teachers, legal etc) and include this in the strategic plan.

Direct quotes include:

“Clinical supervisors are not funded — bottleneck.”

“Police have very little MH training and ambulance officers have none.”

“There are unskilled workers looking for work — they need training to be entry level.”

Theme 4: Service Navigation & the Mindline Concept

Summit participants were given this mocked up ‘Interactive Mental Health Help – Mindline’ image with green, orange and red zones to help navigate ‘mental health’.

Interactive Mental Health Help - Mindline

What colour is your mind right now on your Mind-Line?

Green – Keep going, your mind is in a great spot. Keep up the great things you do like chatting with your BFF, your mates. RU OK is every day 😊

Orange – You might like to slow down a little and chat with those who care about you. Plus, find a hobby or a passion that no one can take away from you 😊

Red – You might like to stop and take time to heal. Remember, you will get there with help from those who care for you and can help you 😊

Your Mind - Line

FRAGILE

FRACTURED

Which colour are you? There is help wherever you are on the Mind-Line.

When things are going well, sometimes in life, something unexpected or unplanned could happen. These happenings might include:

- motor accident
- some form of physical injury
- change of employment or loss of employment
- good friend might move from the region
- loss of a friend
- relationship pressures, strain or break down
- loss of a family member or loved one
- losing a job
- starting a new job which might take time to become familiar
- bad day at work or stressful time at work
- get sick

Great Tips for Everyone - Sleep Well, Eat Well, Exercise and Chat with people in your lives 😊

Discussions revealed a major pain point was not knowing what services exist, who is eligible, or how to refer, and envisage a **funded role** to maintain data / directory integrity.

What participants want

- A central, accurate, up-to-date directory.
- A tool, like the Mindline concept (digital + community-friendly).
- A funded role to maintain it.

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- Integration with PHN Health Pathways, Ask Izzy, Dora’s Directory.
- Clear, simple pathways for both community members and practitioners.

Concerns

- Directories become outdated quickly.
- No one is currently funded to maintain accurate information / databases / directories.
- Services change eligibility and capacity frequently.
- Practitioners waste time trying to find the right service.
- New staff and locums have no orientation to the local system.

Direct quotes include

- “Directory needs to be continually updated — fully funded position.”
- “Who’s updating?”
- “Partner with PHN.”
- “We need a directory for us (health practitioners), not just the public.”
- “Referrals bounce back — we need clear criteria.”
- “New staff have no idea where anything is.”

Practitioner-Facing Directory Needs

- Eligibility criteria
- Referral pathways
- Wait times / capacity
- Scope of practice
- After-hours options
- Crisis vs non-crisis pathways
- Culturally safe services
- Youth and family-specific services
- AOD, DV, housing, social supports

Opportunities

- Dual-layer directory (practitioner + community)
- Quarterly updates
- “Who’s accepting referrals” dashboard
- Funded coordinator

Additional Detail: Directory for Health Practitioners & Allied Health Professionals

Several groups emphasised that **practitioners themselves struggle to navigate the system**, often as much as community members. This includes GPs, psychologists, social workers, school wellbeing staff, youth workers, and allied health professionals.

What practitioners said they need

- A **clinically relevant, up-to-date directory** that includes:
 - eligibility criteria
 - referral pathways
 - wait times or “accepting referrals / not accepting referrals”
 - service capacity

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- scope of practice
- after-hours options
- crisis and non-crisis pathways
- culturally safe services
- youth-specific and family-specific services
- AOD, DV, housing, and social support services

Why this matters

- Practitioners reported spending **hours** trying to find the right service.
- Many referrals “bounce back” due to unclear criteria.
- Practitioners not taking on any new clients – “their books are closed”.
- Lack of clarity leads to delays, frustration, and disengagement, often exacerbating the situation
- New staff, locums, and early-career clinicians are especially disadvantaged.
- Schools and GPs often “don’t know where to start.”

Opportunities identified

- A **dual-layer directory**:
 - **Community-facing** (simple, accessible, green/orange/red wellbeing model)
 - **Practitioner-facing** (detailed, clinical, referral-ready)
- Integration with **PHN HealthPathways, Dora’s Directory, Ask Izzy**.
- A hub with a **funded coordinator** to maintain ‘directory’ accuracy.
- Quarterly updates or something such as “service snapshots.”
- An interactive (updated) “who’s accepting referrals” dashboard.
- Potential coordination with Medicare Mental Health Clinic and /or PHN (Lisa Potter)

Theme 5: Service Gaps & Systemic Issues

Key gaps

- Adolescents falling between Headspace and CAMHS.
- Limited specialists available. No psychiatrist availability; reliance on fly-in fly-out.
- Complex clients being turned away.
- Poor follow-up after hospital discharge.
- Lack of culturally responsive services.

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- Trauma not being addressed early.
- Inadequate support for carers and frontline workers.

Systemic issues

- Fragmented services.
- Conflicting funding applications.
- Poor communication between services.
- Client’s having to repeat their trauma to multiple practitioners and service providers.
- High turnover of staff e.g. Centacare, psychologists.
- Executives disconnected from frontline realities (incl. metro v regional).
- Geographical isolation.

Ideas raised

- Rest & Recovery House.
- Buddy system for MH inpatients.
- Better school-based wellbeing support.
- Emotional regulation education.
- More school counsellors.
- Acute MH clinic, and a holistic MH hub.
- Strengthening trauma-informed practice.

Direct quotes

“Headspace unable to support complex youth.”
“No back-up from hospital for acutely unwell people.”
“Who supports the supporters?”

Theme 6: Community Feedback on the Summit

Participants said

- They enjoyed the Summit.
- They valued hearing from others.
- They want it held annually (some suggested quarterly updates).
- They want broader representation next time.
- They want more workshoping and solutions-focused sessions.

Direct quotes

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“Today’s been brilliant — thank you.”

“Lots of learning from others.”

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Theme 7: Visual Concepts Shared During the Summit (from the Workbooks)

Some participants created simple, **hand-drawn diagrams to express ideas and experiences** that are often difficult to articulate verbally.

- **Wellbeing Colour Scale (Green / Orange / Red)**

A visual showing movement between coping, struggling, and crisis states.

- **“Mental Health Is Not Linear” Pathway**

Winding lines illustrating the non-linear nature of recovery.



- **Grief and Trauma Waves**

Peaks and troughs showing emotional overwhelm.

- **Service Navigation Flow Arrows**



Arrows and branching paths showing confusion, circular referrals, and dead ends.

- **Emotional Regulation and Early Childhood Concepts**

Child-friendly sketches supporting early emotional literacy.

Theme 8: Wall Chart Summary – Collective Visual Contributions

On the day, participants were also invited to contribute to the **public wall chart** – to add any themes and ideas that emerged during the Summit.

This image shows what was captured on the **large public wall chart**, with key points listed below the image.



An overview of the ideas shared on the **large public wall chart** include:

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Grief and Loss Mapping - Loss of someone, identity, culture, community, connection, purpose, hope.

Family and Carer Load – Supporting someone with suicidality, addiction, disability, chronic illness, child mental health challenges, child addiction, child suicidality.

Core Emotional Anchors & Beliefs - Purpose, Hope, Love - what we need to survive and thrive as humans / community.

Affirmations – Remembering... “You are enough.” “We are united, we are one.”

Youth Prevention - Suicide prevention training, peer mentors, emotional literacy.

Men’s Wellbeing - Grounding, connection, conversation.

Service Awareness - Headspace, Lifeline, Beyond Blue, Kids Helpline, Griefline, Wesley Mission.

Cultural Notes - Tamariki Interagency: youth group, resource hub, MH professional, coordinator.

System-Level Visual – the **Medicare Mental Health Centre model** — walk-in, free, multidisciplinary, crisis diversion, integrated pathways, workforce development, single front door.

Theme 9: Miscellaneous Observations & Snippets

Additional short comments that reveal the tone and lived reality of participants.

General reflections

- “We need to make mental health professions look sexy again.”
- “Faith in the system is outdated.”

Community expectations

- “Parents are exhausted. Schools are exhausted. Services are exhausted.”

Service navigation

- “It’s like a maze with no map.”

Youth mental health

- “Teach emotional regulation before algebra.”

Rural realities

- “Distance is a barrier no one funds.”
- “Students want careers in psychology, psychiatry, counselling — but they can’t access the training.”

Workforce

- “We need to grow our own.”

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Collaboration

- “We don’t need more meetings — we need movement / momentum.”

Summit reflections

- “This is the first time we’ve all been in the same room.”
-

10. Overall Conclusions

The Summit revealed a community ready for coordinated action, eager to collaborate, clear about challenges, and hopeful about solutions. There are strong views, momentum and goodwill — paired with a **clear call for structure, funding, and follow-through.**

11. Recommended Next Steps

Immediate (0–3 months)

- Form an interim **Expression of Interest (EOI) Group** based on those who came forward after the Summit
- Review and finalise Summit **Detailed Summary** and **Executive Summary** for circulation
- Share Summit outcomes with TRC, attendees, state and federal MPs
- Charles Impey to commence process to establish a special purpose **Strategic Mental Health Working Group** with TRC
 - Confirm Terms of Reference
 - Establish a contact register
 - Begin mapping existing plans and directories

Short term (3–12 months)

- Launch the **Strategic Mental Health Working Group** (Steering Committee)
- Develop a draft Mental Health Action Plan for our region
- Begin workforce development partnerships
- Identify funding opportunities
- Scope the Mindline concept

Medium term (12–24 months)

- Implement early wins
- Begin service mapping and environmental scan
- Pilot improved referral pathways

Long term (24+ months)

- Full implementation of the Action Plan
 - Ongoing evaluation and community reporting
 - Expansion to surrounding LGAs
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Mental Health Summit 2026 – DETAILED SUMMARY

CONTACT Councillor **Charles Impey** for all matters relating to Tamworth’s Mental Health Summit 2026 and ongoing development

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