# BRIEFING NOTE

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| **To:** | **All Councillors** |
| **From:** | **Simone Plummer, Director Planning** |
| **Date:** | **26 June 2026** |
| **Subject:** | **Draft Inner West Affordable Housing Policy – Exhibition Summary** |

Dear Councillors,

This briefing note has been prepared to provide a summary of the recently completed exhibition of draft Inner West Affordable Housing Policy.

**Exhibition Summary**
On 28 April 2026, Council considered a report on the draft Affordable Housing Policy (*C0426(2) Item 1 Inner West Affordable Housing Policy*). Council resolved to place the draft Policy on exhibition, subject to a pre-exhibition amendment and specific consultation requirements. Council's full resolution is here.

As per the April Council resolution, prior to commencing exhibition the draft Policy was amended to change the contribution rate for proposals on land where residential uses are not currently permitted in the land use zone, from 7.5% to 10% (section 2.2, Table 3).

Exhibition of the draft Policy ran for 35 days from 4 May to 7 June 2026. An engagement page was launched on Council's Your Say Inner West (YSIW) website.

The YSIW page included the draft Policy, Council report and resolution, plain English explanations of the key components and frequently asked questions. The community was invited to provide feedback either by online survey on this webpage, email or mail. Staff were available to respond to inquiries by phone, email, or in-person at Ashfield Service Centre.

The following notifications and advertisements were undertaken:

- Subscribers to YSIW were notified of the exhibition by email.
- Advertisements of the exhibition were posted on Council's social media account. Circulation of the ads was boosted across the social media platform.
- Ads also appeared on digital notice boards at Council's service centres and libraries.
- Community housing sector and other industry stakeholders were notified of the exhibition by email and invited to attend a roundtable discussion.
- Arts and cultural organisations were notified by email.
- All Local Democracy Group members were notified by email.

The draft Policy was considered at the following community workshops and meetings:

- 12 May: Community housing and other industry stakeholder roundtable discussion (held at Haberfield Library).
- 21 May: Housing for All Local Democracy Group meeting (held at Ashfield Service Centre).
- 3 June: Combined Local Democracy Groups webinar (held online).

**Feedback Summary**
48 submissions have been received in response to this exhibition, including:

- 12 online surveys, and
- 36 email submissions.

Feedback was received from:

| Stakeholder | Respondents |
|---|---|
| Community Housing Providers | 7 responses received:<br>• Evolve Housing<br>• Women's Housing Company<br>• Bridge Housing<br>• Common Equity NSW<br>• Uniting NSW ACT<br>• Hume Community Housing<br>• Metro Community Housing |
| Industry Organisations | 4 responses received:<br>• Community Housing Industry Association NSW<br>• Faith Housing Australia<br>• Urban Taskforce<br>• Shelter NSW |
| Government Agencies | 1 response received:<br>• Homes NSW |
| Community Groups | 4 responses received:<br>• Labor for Ending Homelessness<br>• Sydney YIMBY<br>• Save Marrickville<br>• Sydney Cohousing Committee |
| Individuals | 32 responses received |

The complete submissions are available in the *Attachment* below.

Council officers are analysing the feedback received, with technical input from consultants Atlas Economics. A post-exhibition report on the draft Policy, including draft Planning Proposal for the Affordable Housing Contribution Scheme, will be considered by Council at its meeting on 25 August 2026.

Simone Plummer
**Director Planning**

# Draft Inner West Affordable Housing Policy – Exhibition Submissions

### Email Submissions

| ID | Stakeholder |
|---|---|
| 1 | Evolve Housing |
| 2 | Women’s Housing Company |
| 3 | Bridge Housing |
| 4 | Community Equity NSW |
| 5 | Uniting NSW ACT |
| 6 | Hume Community Housing |
| 7 | Metro Community Housing |
| 8 | Community Housing Industry Association NSW |
| 9 | Faith Housing Australia |
| 10 | Urban Taskforce |
| 11 | Shelter NSW |
| 12 | Homes NSW |
| 13 | Labor for Ending Homelessness |
| 14 | Sydney YIMBY |
| 15 | Save Marrickville |
| 16 | Sydney Cohousing Committee |
| 17 | Individual #1 |
| 18 | Individual #2 |
| 19 | Individual #3 |
| 20 | Individual #4 |
| 21 | Individual #5 |
| 22 | Individual #6 |
| 23 | Individual #7 |
| 24 | Individual #8 |
| 25 | Individual #9 |
| 26 | Individual #10 |
| 27 | Individual #11 |
| 28 | Individual #12 |
| 29 | Individual #13 |
| 30 | Individual #14 |
| 31 | Individual #15 |
| 32 | Individual #16 |
| 33 | Individual #17 |
| 34 | Individual #18 |
| 35 | Individual #19 |
| 36 | Individual #20 |

**Your Say Inner West Online Surveys**

| ID | Stakeholder |
|---|---|
| 1 | Individual #21 |
| 2 | Individual #22 |
| 3 | Individual #23 |
| 4 | Individual #24 |
| 5 | Individual #25 |
| 6 | Individual #26 |
| 7 | Individual #27 |
| 8 | Individual #28 |
| 9 | Individual #29 |
| 10 | Individual #30 |
| 11 | Individual #31 |
| 12 | Individual #32 |

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**11 May 2026**

Nigel Riley
Senior Strategic Planner
Inner West Council

Dear Nigel,

**RE: IWC Affordable Housing Policy – April 2026**

Thank you for the opportunity to comment on your draft Affordable Housing Policy. Evolve Housing would like to commend Inner West Council for preparing a Local Housing Strategy. Evolve Housing strongly supports the provision of a diverse mix of housing typologies and tenures to cater for the needs of people at all stages of their lives including the important provision of affordable housing.

Evolve Housing is an award-winning Tier 1 nationally registered not for profit provider of affordable housing managing some 5,500 social and affordable dwellings across metropolitan Sydney. Evolve Housing believes that all levels of government and the not for profit and private sectors have an important role to play in delivering affordable rental housing including the leadership role local Councils play through their Local Housing Strategies.

As an established provider of community housing for over 30 years, we are experienced tenancy and property managers who ensure housing is genuinely targeted to low to moderate income households and key workers.

When Evolve Housing provides affordable housing, we are responsible for the ongoing management and maintenance of the housing, we do not develop and sell, hence we are interested in high quality design and materials to reduce maintenance costs and ensure residents and the community are provided with quality buildings and environments. We are also contracted to manage affordable housing developed by other organisations, including other councils, aware super, private development organisations who own affordable housing properties. In fact, we manage over 2,000 Affordable Housing properties including several hundred properties we were competitively selected to manage on behalf Parramatta, Canada Bay, Waverly, Cumberland and Willoughby councils.

We commend and support your Affordable Housing Policy currently on exhibition. As experienced partners of local government we would be happy to work with you to help deliver on your local strategic priorities for Affordable Housing and offer the following feedback for your consideration and further discussion in the upcoming forum.

Henry Dodd House, 9–13 Argyle Street Parramatta NSW 2150
PO Box W124, Parramatta Westfield NSW 2150
Evolve Housing Limited ABN 16 127 713 731
**evolvehousing.com.au**
myevolve@evolvehousing.com.au
1800 693 865

## Evolve Housing Feedback

### 1. Table 1 – Term: Affordable Housing – Definition

The definition references households eligible under the National Rental Affordability Scheme (NRAS) and rents charged at NRAS levels. As the NRAS program is due to cease from July 2026, Evolve Housing recommends removing NRAS from this definition and from all other references throughout the document to ensure the policy remains current and relevant.

### 2. Section 1.3 – Targeted Cohorts and Rent Returns

Evolve Housing would like to highlight the importance of understanding potential rent returns across Council's affordable housing portfolio. While the strategy appropriately emphasises the need to house a mix of very low, low, and moderate income earners, it is critical that Council models the sustainable percentage of each cohort.

Very low- and low income households generate significantly lower rental returns. When these returns are considered alongside rising outgoings such as strata levies, water rates, management fees, and responsive and planned maintenance, there is a risk that affordable housing dwellings may require cross subsidisation over time if not carefully planned.

Evolve Housing has extensive long-term exposure and experience in this area and would welcome the opportunity to assist Council in developing robust financial models to ensure portfolio sustainability.

### 3. Working Out Tenant Eligibility – Example

When calculating rent, Evolve Housing suggests referencing a cap of 80% of market rent. This would ensure that the maximum affordable rent for each property is not exceeded, while maintaining consistency and clarity in affordability benchmarks.

### 4. Section 1.4 – Delivery to the Community Housing Sector

Evolve Housing strongly supports the distribution of cash, dwellings, and land to the Community Housing sector, as this approach is most likely to deliver optimal outcomes for the community. Appropriate restrictions can be placed on title to protect both Council and community interests.

Registered CHPs are well positioned to commit to agreed additionality targets, supporting the much-needed growth of affordable housing within the IWC LGA.

## 5. Advocacy

Evolve Housing supports Council's advocacy for a minimum target of 30% of new dwellings on government-owned land to be designated as subsidised housing (affordable and/or social housing) in perpetuity and managed by a CHP.

However, it is important to note that restrictions on title in perpetuity can significantly devalue assets, making leverage and borrowing challenging. Evolve Housing recommends an alternative approach, such as:

- Caveats requiring that all proceeds from asset divestment be reinvested in affordable housing; and
- A requirement that the minimum number of affordable dwellings be met or exceeded at the point of divestment.

This approach preserves long-term affordability outcomes while maintaining financial flexibility.

## 6. Cash vs Dwellings vs Land Contributions

Based on Evolve Housing's experience working with councils, each contribution type presents opportunities and challenges:

### Cash Contributions

With an appropriate strategy in place, cash contributions enable purpose built affordable housing developments. This allows tenant cohort needs to be considered upfront, including bedroom mix, amenity, and design guidelines that balance tenant needs with a "maintenance out" approach. Cash also allows for strategic acquisition of suitable existing stock, which can potentially deliver a greater number of dwellings.

### Dwelling Contributions

Delivered dwellings are typically ready for occupancy and contribute to steady portfolio growth with a known pipeline. However, these contributions are often small in number (typically 1–10 dwellings) and are usually part of strata schemes. This usually attracts high strata levies and Building Management Committee contributions in these settings.

Additionally, these dwellings are often aligned with the build to sell market and include high end amenities such as swimming pools and gyms, which drive up ongoing costs. The common outcome is a high value asset with relatively low net rental return. In many cases, pooling the value of these assets for purpose-built developments or acquisitions can achieve better overall outcomes.

**Land Contributions**

The contribution of land is welcomed; however, it is important that a robust assessment is undertaken to confirm the land is suitable for the delivery of affordable housing. This should include consideration of the site's location, zoning, servicing, and any physical or planning constraints that may impact development feasibility.

A high-level understanding of construction costs and development viability for the site would also be beneficial prior to determining land as the preferred contribution option. This approach will help ensure that land contributions result in practical, deliverable, and sustainable affordable housing outcomes.

**7. Management of Funds**

Evolve Housing views this as a very promising model that demonstrates Council's commitment to achieving the best possible outcomes. Evolve Housing would welcome the opportunity to share innovative funding and delivery models that have been successfully implemented elsewhere.

**8. Management of Affordable Housing**

Evolve Housing supports the recommendation that affordable housing delivered under the Housing SEPP be managed by a registered CHP (Tier 1, 2, or 3 under the NRSCH). However, Evolve Housing recommends that Council prioritise engagement with Tier 1 or Tier 2 not-for-profit CHPs.

While Tier 3 providers may include real estate agents, these entities often lack a purpose that aligns with Council's broader social and community objectives. Tier 1 and 2 CHPs are better positioned to deliver long term, mission aligned affordable housing outcomes.

Yours faithfully,

**Charlie Souma**
Group General Manager, Affordable Housing

## Nigel Riley

**From:** [redacted]
**Sent:** Monday, 25 May 2026 4:52 PM
**To:** Inner West Planning
**Subject:** Draft Inner West Affordable Housing Policy

You don't often get email from [redacted] Learn why this is important

Good afternoon

Thank you for inviting us to the Housing Stakeholder Roundtable held on the 12th May for the draft Inner West Affordable Housing Policy.

The Women's Housing Company (WHC) is a Tier 1 community housing provider with more than 40 years' experience delivering safe, secure and affordable housing for women across New South Wales, including within the Inner West. We house women experiencing homelessness, older single women, women leaving domestic and family violence, women with complex needs, and low-income women essential workers.

We welcome publication of the draft Inner West Affordable Housing Policy and would like to comment as follows:

The policy shows clear commitment to the delivery of social and affordable housing. We are however concerned that reducing the contribution rate for developer-led housing proposals (from 15% to 10% of new housing floorspace) with a statement around this being 'subject to feasibility', will encourage developers to negotiate further reductions. The testing evidence provided states 10% is achievable and WHC would prefer to see a hard cap with developer negotiation not allowed or reinforcement of a message that says only in exceptional situations will negotiation be allowed.

We welcome the target tenant groups set out in the policy, particularly women and their children escaping DV.

We welcome the move to pool funds received from developer contributions and the proposed redistribution of these to a nominated CHP. We believe it would be beneficial for these to be allocated on a project-by-project basis rather than to one CHP. This will ensure projects targeting specific cohorts can be taken forward by a CHP with the most appropriate experience with this cohort.

Thanks again for the opportunity to comment on this draft policy.

[redacted]

[redacted]
**Business Development Manager**

**Please note Wednesday is my non-working day.**

Mobile: [redacted]
www.womenshousingcompany.org

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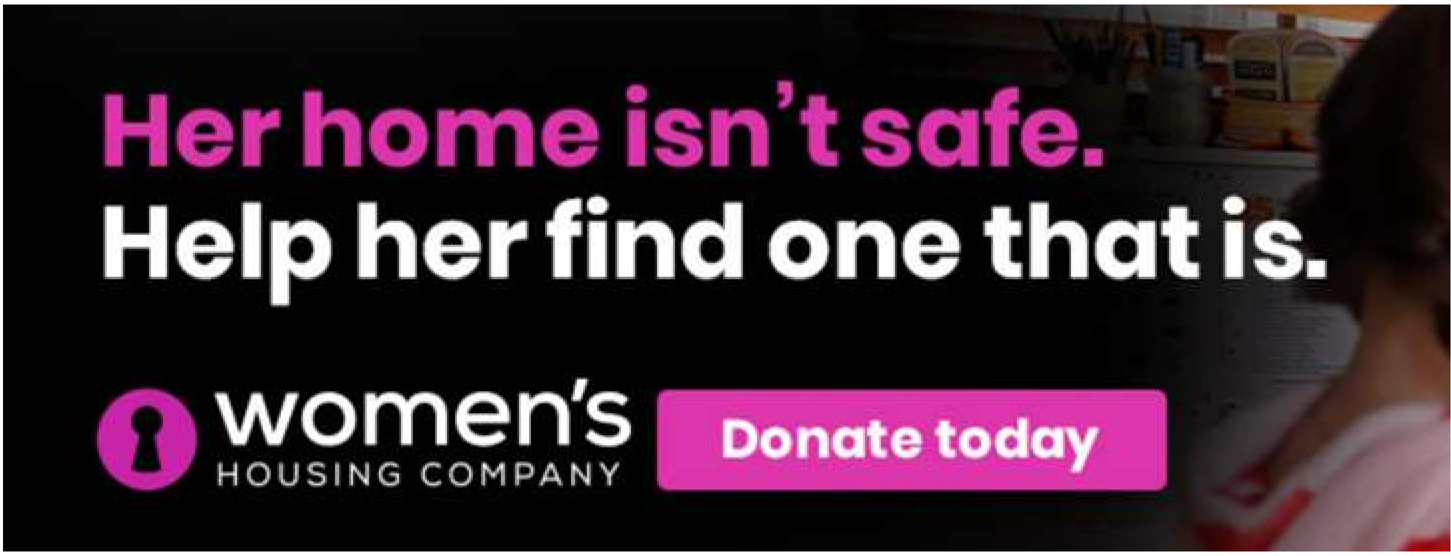
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Inner West Council
Strategic Planning Team
By email: planning@innerwest.nsw.gov.au
5 June 2026

Dear Inner West Council Strategic Planning Team,

## Re: Feedback on Inner West Council's Draft Affordable Housing Policy

Bridge Housing is pleased to support Inner West Council's (Council) Draft Affordable Housing Policy (Policy). Bridge manages a large portfolio of 650 residents in the Inner West as part of a broader portfolio of 3,800 homes across Sydney, with a strong pipeline of over 1,000 new properties to be delivered by 2029.

Affordable housing is critical infrastructure that is essential in supporting a sustainable and diverse community and local economy. There is currently an unmet housing need of approximately 4,700 households across Inner West which, without intervention, is projected to reach 7,300 by 2041 (UNSW City Futures Research Centre). Over 2,000 households are currently on the social housing waitlist in the Inner West, with waiting times of over 10 years. Social and affordable housing supply needs to increase now and into the future to meet this high and growing demand.

Bridge supports the following measures under the Policy:

- Retaining monetary contributions as the preferred contribution method
- Fixing the contribution rate at 10%
- Ensuring community housing providers (CHPs) are appointed as owners and managers of any dedicated dwellings
- Establishing a dedicated grant pool for affordable and diverse housing delivery
- Exploring concessional land contributions as an additional delivery lever

**Partnering with CHPs to deliver affordable housing**

The Policy has the potential to deliver significant, lasting benefits to the community, which can be multiplied through an effective partnership structure with CHPs. CHPs are uniquely placed to layer funding and finance to efficiently deliver new social and affordable housing through state and federal government programs, philanthropic sources and private investment. These can be combined with tax exemptions to further reduce the cost of delivering new supply.

Bridge supports the proposed approach to affordable housing contributions, including the 10% contribution rate, which we recommend incorporating as a fixed rate. Monetary contributions are the most efficient method to maximise the amount of affordable housing delivered as they can be layered with other sources of funding.

For example, Bridge is a recipient of the City of Sydney's Affordable Housing Developer Contributions, where financial contributions received in a single year significantly supported the feasibility of a 355-unit project in Redfern. Without the contribution, which represented less than 10% of the total development cost, this project may not have been able to proceed. This shows the scale of projects that monetary contributions can facilitate when allocated to Tier 1 CHPs with a strong local presence and delivery capacity.

To achieve the best outcomes for the local community, monetary contributions must be allocated to Tier 1 CHPs with an existing local presence and demonstrated capacity to deliver new affordable housing as these are the organisations that will have sites and access to other sources of funding including debt finance. Council should consider establishing a dedicated grant pool, like the City of Sydney's Affordable and diverse housing fund to support the delivery of specialist and innovative housing models that respond to specific community needs.

For example, in partnership with Aboriginal Women and Children's Crisis Service, Bridge accessed $3m of funding in 2022, plus a Homes NSW grant to acquire and refurbish a block of 20 units in Glebe, offering a dedicated housing option for Aboriginal women impacted by domestic violence. We also recently used $3m of funding alongside grants from Housing Australia, Homes NSW and philanthropic funds to acquire a block of 35 studios in Haymarket, enabling The Haymarket Foundation to continue delivering crisis accommodation to people with highly complex needs. These examples show how a non-competitive funding pool enables local organisations to partner and develop innovative responses to local needs.

Council can also facilitate the delivery of affordable housing in partnership with CHPs through concessional land contributions.

Thank you for the opportunity to provide this feedback, and we look forward to working together to meet the need for affordable housing in the Inner West.

Yours Sincerely,

Laurie Leigh

**Chief Executive Officer, Bridge Housing**

## EXECUTIVE SUMMARY

# Common Equity NSW Consultation Submission:
# Inner West Council Draft Affordable Housing Policy

June 2026

## Who We Are

Common Equity NSW is a Tier 2 registered Community Housing Provider and the only CHP in NSW delivering **community co-operative housing (co-op housing)**. We are the recognised peak body for co-operative housing in NSW, managing approximately 530 dwellings and collaborating with 31 co-operatives across 25 LGAs. **We currently operate co-operatives across seven Inner West suburbs — Annandale, Leichhardt, Haberfield, Marrickville, Stanmore, Petersham and Dulwich Hill**.

## Our Position

Common Equity NSW supports the *Draft Affordable Housing Policy* (Draft Policy) as a sound framework for increasing affordable housing in the Inner West. Our submission builds on that foundation with one core recommendation: that community co-operative housing be explicitly included in the Policy as a recognised and supported delivery model.

**Co-op housing is already delivering results across the Inner West.** This submission asks Council to adopt a policy setting that recognises and builds on that contribution — and ensures co-op housing can contribute its distinctive social value to Inner West communities.

## Why Co-operative Housing Inclusion is Critical

- **Income span and affordability:** Co-op housing delivers across the full very-low to moderate income continuum — the mixed income requirement is secured by defined allocation percentages, not left to discretion. It offers an additional 5% affordability over Affordable Housing, with rents capped at 25% of household income.
- **Target community delivery:** Co-op housing is the only model structurally designed to house communities formed around shared identity, lived experience or purpose. Member self-selection criteria — secured in co-operative law — means cohort-specific outcomes are embedded in the tenure itself, not dependent on CHP discretion.
- **Extensive social outcomes:** The first national study of Australia's co-operative housing sector (Crabtree-Hayes et al., 2024)[i] documents its additional benefits across seven domains — including social capital, health and wellbeing, skills development, and employment outcomes — while still operating at comparable cost to other community housing. Each co-op dwelling generates a housing and a community outcome, compounding Council's investment in social infrastructure.

## Our Five Recommendations

### Recommendation 1 — Amend the Tier 1 Restriction

Move from a single nominated Tier 1 CHP to a panel of 3–5 nominated CHPs across diverse tiers and housing models. Modify the Tier 1 restriction to allow specialist Tier 2 providers with demonstrated co-op capability and developer and LGA specific track record to be nominated.

**Recommendation 2 — Co-operative Housing Visibility**

Add co-operative housing as a defined term in the Policy Glossary and recognise it as a delivery model through which Council's affordable housing objectives can be achieved.

**Recommendation 3 — Expand Nomination Criteria**

Include co-operative housing delivery capacity as an explicit weighted criterion in the CHP nomination and evaluation framework.

**Recommendation 4 — Alignment with Target Cohorts**

The Policy should explicitly identify co-op housing's role in delivering cohort-specific housing, and direct nominated CHPs to demonstrate how co-op delivery options will be explored for each relevant cohort.

**Recommendation 5 — Housing SEPP Pathway**

Include guidance directing developers to consider specialist providers with demonstrated LGA presence and co-op capability when meeting Housing SEPP management obligations.

## Three Additional Proposals

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**Proposal 1 — Co-op Housing Delivery Target**

A minimum of 1 in 5 new community housing developments delivered through this Policy to be specified as co-operative housing or include a co-operative housing component.

**Proposal 2 — Co-op Criteria in the Governance and Distribution Framework**

When developed, the Framework should explicitly include co-op housing delivery capacity as a weighted criterion, and consider a panel CHP nomination model to prevent specialist providers being locked out.

**Proposal 3 — Preferred Provider Register for Housing SEPP Management**

Council should establish a preferred provider register for Housing SEPP management obligations that includes specialist Tier 2 providers with demonstrated LGA presence — Common Equity NSW could be listed immediately.

***With its strong alignment with Council's affordable housing objectives and proven social benefits — particularly for priority target communities — it is critical that the Draft Policy does not inadvertently lock out co-op housing. Common Equity NSW welcomes the opportunity to meet with Council officers to discuss any aspect of this submission.***

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[i] Crabtree-Hayes, L., Ayres, L., Perry, N., Veeroja, P., Power, E. R., Grimstad, S., Stone, W., Niass, J. & Guity, N. (2024). *The Value of Housing Co-Operatives in Australia. Project Report.* Sydney: Institute for Culture and Society. https://doi.org/10.26183/0xpp-g320

# Common Equity NSW Consultation Submission:
# **Inner West Council Draft Affordable Housing Policy**

## 1. Common Equity and Community Co-operative Housing

### About Us

Common Equity NSW is an experienced Tier 2 registered community housing provider (CHP) - the only CHP to deliver community co-operative (co-op) housing in NSW. We are the recognised peak body for Co-operative Housing in NSW and **an experienced end-to-end community housing developer**.

Operating across 25 Local Government Areas — including the Inner West — we manage approximately 530 dwellings and collaborate with 31 housing co-operatives (co-ops). Common Equity currently partners with **5 established co-ops within the Inner West LGA in Annandale, Leichhardt, Haberfield, Marrickville, Stanmore, Petersham and Dulwich Hill**.

> ***Our co-ops provide housing that spans the income eligibility continuum of very-low-, low- and moderate-income households.***

### About Community Co-operative Housing

Community co-operative housing (co-op housing) is a distinct community housing model that is led and managed by its residents. It is distinguished by active tenant participation, democratic tenant governance, shared responsibility and genuine engagement in the life of the co-operative.

This tenant governance is grounded in the seven international principles of co-operation — voluntary and open membership; democratic member control; member economic participation; autonomy and independence; education, training and information; co-operation among co-operatives; and concern for community. These principles operate as both a governance framework and a cultural foundation, shaping how decisions are made and how members relate to one another and to the wider community.

Co-operatives vary considerably in size, structure and character. Some are organised around shared cultural identity, life stage or lived experience; others are open to diverse membership. This diversity is itself a strength — there is no single correct model, because different communities require different forms of co-operation. What every co-operative shares is this: residents do not simply occupy their housing they activate it as a community, the benefits of which extend well beyond the individual tenant.

## What the evidence shows

The first national study of Australia's co-operative housing sector — Crabtree-Hayes et al. (2024)[1], Western Sydney University — found that co-operative housing delivers housing outcome at a comparable cost to other community housing, while generating substantially greater social returns. Residents who actively participate in co-operative governance report benefits across seven domains:

- housing stability and affordability;
- health and wellbeing;
- skills development;
- education and employment outcomes;
- social capital;
- agency and voice; and
- broader community impact.

These are not incidental benefits. They are the direct product of a housing model in which residents hold genuine agency and shared purpose.

[1] Crabtree-Hayes, L., Ayres, L., Perry, N., Veeroja, P., Power, E. R., Grimstad, S., Stone, W., Niass, J. & Guity, N. (2024). *The Value of Housing Co-Operatives in Australia. Project Report.* Sydney: Institute for Culture and Society. https://doi.org/10.26183/0xpp-g320

## 2. Co-operative Housing and the Inner West

### Support for the Inner West Affordable Housing Policy

Common equity supports the *Inner West Council's Draft Affordable Housing Policy* (the Draft Policy) as a framework that guides the mobilisation of increased affordable housing delivery in the LGA - sustaining a stable, connected and empowered community where diverse residents can thrive.

We also commend that the policy extends beyond simply income thresholds to include communities with specific and often complex needs: older women, artists, First Nations peoples, key workers, people escaping domestic violence, people with disability, and culturally diverse households.

### Support for Target Communities Identified in the Policy

Each of the Draft Policy's target cohorts map onto communities for whom co-operative housing is not merely one option among many, but often the most effective model available. Specific benefits by target group include:

- **First Nations communities** - the model's emphasis on self-determination and democratic governance aligns with community-controlled housing principles.
- **Women escaping domestic violence, older women and LGBTQIA+** households - member self-selection creates communities of shared experience that provide safety and belonging beyond what standard tenancy management can offer.
- **Artists and cultural creators** — a cohort central to the Inner West's identity — co-operatives built around creative communities sustain the social infrastructure the LGA's culture depends on.
- **For key workers and people with disability** - mixed-income eligibility (spanning very low through moderate income bands) and flexible governance allow housing to be designed around genuine community need.

### Why this matters for the Inner West

This alignment is not theoretical. Common Equity NSW currently operates co-operatives in **Annandale, Leichhardt, Haberfield, Marrickville, Stanmore, Petersham and Dulwich Hill** — serving some of the Inner West's most diverse and long-established communities – including those cohorts identified in the Draft Policy and referred to above.

Common Equity and our Inner West community housing co-operatives are uniquely positioned to serve these specific communities. As a distinct community housing model, it builds resident empowerment directly into its governance structure — not as an aspiration, but as a defining feature.

***Our submission makes the case for an 'Inner West Affordable Housing Policy' that recognises, supports and builds on a model already delivering results in the LGA — to ensure Co-op Housing can contribute its distinctive social value to Inner West communities.***

## 3. Our Core Draft Policy Position: Include Community Co-operative Housing

### Why Community Co-operative Housing inclusion is critical

Common Equity NSW's core recommendation is that community co-operative housing (Co-op Housing) is it be explicitly included in the Inner West Affordable Housing Policy, with the following rationale.

Co-op housing delivers:

- for a diverse household income span, with additional affordability (5%) and secures Council's intended housing affordability effect
- housing with and for target communities - evidenced by a track record of success in the Inner West
- on Council's policy goals and beyond as a catalyst for extensive social outcomes.

***With its strong alignment with Council's affordable housing objectives and social benefits – particularly for target communities, it is critical that Council ensures its 'Draft Policy' does not inadvertently lockout co-op housing.***

Co-op housing's 3 aligned delivery benefits to Council's Draft Policy are expanded on below.

1. **Diverse household income span, additional affordability (5%) and security of Council's intended housing affordability affect.**

- Co-operative housing directly delivers on Council's intended effect of enabling housing affordability for a household spanning very-low-, low- to moderate-income, while also offering an additional 5% in housing affordability than Affordable Housing.

- Distinct from Affordable Housing this span of inclusion is specified in co-op housing definitions rather than suggested and is anchored in broader state housing policy.

- While Affordable Housing makes provision for this continuum of income levels it is not secure against the un-intended consequence of providing housing for moderate income households only.

  ***Co-op housing protects against the risk of a skewing of allocations that is disproportionately weighted to one income group over another.***

**Background:**
As with Affordable Housing, community co-operative housing (co-op housing) spans the continuum of very-low-, low and moderate income tenant eligibility as defined in State Housing Policy[2] - under State policy co-op housing is defined as a mixed income model. The mixed income requirement is

[2] Specifically, the Social Housing Eligibility and Allocations Policy Supplement, and the Community Housing Rent Policy.

secured by specified percentages with approximately one third of allocations to be made at each income bracket.

While under the ministerial Affordable Housing Guidelines rents *may* be set 30% household income, there is also provision that rents can be set a 20% reduction to market rent. Particularly when applied to metropolitan Sydney, with the escalating market rent rates council identifies in their policy, this application of the guidelines is likely to still leave 'Affordable Housing' out of reach of many *lower-moderate* to *moderate* income households.

Co-op housing will never operate under this rent setting arrangement; it affords additional affordability for households with a rent setting capped at 25% of their household income or market rent whichever is the lessor (unlikely to apply even for a moderate-income household in the LGA given current metropolitan market rent climate).

***As the peak body and umbrella community housing provider for co-op housing, Common Equity NSW works with housing co-ops to ensure that this mixed eligibility is applied at a rate of two thirds of allocations to be made to very low to low-income households and one third made to moderate income households.***

**2. Capacity to deliver housing with target communities and a track record of success in the Inner West.**

- Co-op housing is the only community housing model structurally designed to deliver housing to communities formed around a shared identity, lived experience or purpose,

- This structural design is a defining feature of the model - co-op members must select co-op tenants that meet their target group criteria. This capacity is specified in state housing policy and secured in co-operative national law.

- While Affordable Housing may target priority cohorts in its allocation process, as a housing model it does not structurally secure cohort-specific outcomes — allocation remains at the discretion of the nominated CHP rather than the co-op community.

***Co-op housing closes this gap, ensuring Council's commitment to priority cohorts is embedded in the tenure itself.***

**Background:**
As self-managed organisations under the *Co-operatives (Adoption of National Law) Act 2012 (NSW)*, co-operatives can set membership criteria, for housing co-ops this means they can set criteria beyond just income eligibility — directing housing to a specific community, such as the priority cohorts that Council seeks to support under their policy: women, First Nations peoples, LGBTQIA+ households, artists, older people, or people with shared lived experience. No other community housing model offers this.

Common Equity NSW's existing Inner West housing co-ops demonstrate this in practice — comprising **two women's co-operatives**, an **Arabic Housing Co-operative**, an **LGBTQIA+-centred co-**

**operative**, and **two multigenerational co-operatives**, each formed around shared purpose and each delivering belonging, safety and social capital that generic affordable housing cannot replicate.

***As peak body and umbrella CHP for co-op housing, CENSW works with co-operatives to ensure membership criteria are applied fairly, transparently — directing housing to priority communities while maintaining core membership criteria.***

***Where a housing co-op doesn't exist yet in the Inner West for a specific target group, Common equity can help form one.***

### 3. Extensive Social outcomes - delivering on Council's policy goals and beyond

- The extensive social benefits of co-op housing are documented seven social outcome domains (identified above) – benefits that are not produced to the same extent by any other form of community housing (includes Affordable Housing).

- These outcomes directly serve Council's broader policy goals – strengthening the economic productivity and community sustainability of the Inner West. Co-op Housing supports residents to have greater workforce participation, stronger community networks, reduced social isolation, and a measurable sense of agency and belonging - conditions that make diverse, resilient communities possible.

- Co-op housing delivers at comparable costs to other community housing models while generating substantially greater social returns — making it a high social return on investment that council should ensure is available within the affordable housing contribution pipeline.

  **Co-op housing can make it 'stack up' without having to skew allocations disproportionately across the very-low to moderate income continuum – with the additional value of extensive social return for households at all income levels.**

**Background:**
The first national study of Australia's co-operative housing sector — Crabtree-Hayes et al. (2024)[3], Western Sydney University — confirms that co-operative housing produces social impact benefits not found in other forms of non-market housing. The research identifies active choice — the informed desire to live in a co-operative — as the strongest single predictor of benefit. When that choice is genuine, and when members receive appropriate support on joining, outcomes compound across all seven of those domains.

The most prominent finding is the high levels of social capital experienced by co-operative tenants — a level not seen in tenants in any other form of rental housing, social or private. Social capital of this kind is not a soft outcome. It is directly linked to employment and educational participation, health and wellbeing, and the kind of community cohesion that reduces pressure on Council's social services and infrastructure.

[3] Ibid.

Co-op housing also builds transferable skills — in financial management, organisational governance, communication and conflict resolution — that directly support workforce participation and economic self-sufficiency. For Inner West residents who are key workers, sole parents, older women or people with disability, these outcomes have measurable economic as well as social value.

***The Inner West's Draft Policy correctly identifies the multiplier effect of distributing affordable housing contributions to NfP CHPs. Co-operative housing extends that multiplier beyond the financial — each co-op dwelling generates not only a housing outcome but a community outcome, compounding Council's investment in social infrastructure across the LGA.***

## Our Core Recommendations

Common Equity recognises the many strengths of the Draft Policy and our submission seeks to build on the impressive groundwork already in place with a core recommendation our **- that community co-operative housing be explicitly included in the Council's Affordable Housing Policy.**

Common Equity NSW makes five recommendations and three additional proposals in our submission small adjustments which will: ensure co-operative housing is not locked out as a permissible housing type able to be delivered under the policy; and create the conditions for co-operative housing to contribute its distinctive social value to Inner West communities.

## Our Recommendations

**1. Amend the Tier 1 Restriction**

The Draft Policy's restriction of the Nominated CHP role to a single Tier 1 provider structurally **excludes Common Equity NSW as a community housing provider and developer** — the only community housing provider in NSW specialising in co-operative housing, and one already operating across seven Inner West suburbs.

The NRSCH tier 1 classification is determined by the scale and scope of a provider's housing activities — not by specialist capability, housing model expertise, community impact or LGA-specific experience. Nor are Tier 1 providers the only tier with developer capability. Applying it as an absolute threshold for a single nominated provider prevents Council from accessing the full diversity of housing models and specialist capability available to serve Inner West communities.

By moving toward a panel nomination model - minimum of 3 nominated CHPs representing diverse tiers and models – Council will prevent specialist providers from being structurally locked out by a single, Tier 1 provider appointment. This will enable housing model diversity benefits to be leveraged from the contribution pipeline, and allow Council to match contribution allocations to the provider best placed to deliver for specific target cohorts.

Within this panel model, the Tier 1 restriction should be modified to allow specialist Tier 2 providers with demonstrated co-operative housing capability and a development and LGA-specific track record to be nominated alongside Tier 1 providers.

***Move from a single nominated Tier 1 CHP to a panel nomination model, appointing a minimum of three (to five) nominated CHPs representing diverse housing models and registration tiers – along with demonstrated co-operative housing capability and a developer and LGA-specific track record to be nominated.***

**2. Co-operative Housing Visibility**

Co-operative housing is formally defined in NSW state housing policy as a distinct form of community housing. The research evidence — including Crabtree-Hayes et al. (2024) — establishes that it generates social benefits not found in other housing forms: high levels of social capital, tenant agency and empowerment, pro-social community formation, and a strong sense of belonging that extends beyond the co-operative itself. Despite this, the Draft Policy makes no reference to co-operative housing as a housing type or delivery model.

***Identify co-operative housing as a distinct form of community housing in the Policy Glossary and recognise it explicitly as a delivery model through which Council's affordable housing objectives can be achieved (see appendix for recommended wording).***

**3. Expand Nomination Criteria***

The Policy commits to nominating a CHP through a competitive process but is silent on what evaluation criteria will apply. For co-operative housing to have any role in the contribution pipeline this Policy creates, the Policy's nomination framework must explicitly include demonstrated capacity to deliver co-operative housing as a weighted criterion. Without this, procurement decisions will default to scale and general housing management capability — neither of which fully captures what co-operative housing does best.

***Include co-operative housing delivery capacity as one of the explicit criterion in the CHP nomination and evaluation framework.***

***Note:** where Recommendation 1 addresses eligibility for nomination – including a panel nomination model), this recommendation addresses how candidates are evaluated once eligible.*

**4. Alignment with Target Cohorts**

Co-operative housing is an empowering and effective model for diverse communities and shared-experience groups — aligning directly with Council's target cohorts. As self-managed organisations governed under the Co-operatives Act, co-operatives are entitled to set specific membership criteria for their tenants. This is a feature of co-operative law that Council can actively leverage.

CENSW can work with existing or new co-operatives to direct housing toward the groups Council has identified as priorities — including key workers, specific household types, cultural communities and people with shared lived experience. Current Inner West co-operatives include two women's co-operatives, an Arabic Housing Co-operative, an LGBTQIA+-centred co-operative, and two multigenerational co-operatives — intentional communities delivering outcomes that standard housing management cannot replicate.

***The policy should explicitly identify the role co-operative housing can play in delivering socially inclusive, cohort-specific housing that serves the Inner West's priority communities and should direct the nominated CHP to demonstrate how co-operative delivery options will be explored for each relevant cohort.***

**5. Housing SEPP Pathway**

The Draft Policy permits any registered CHP — Tier 1, 2 or 3 — to manage Affordable Housing delivered under the Housing SEPP. This is an immediate opportunity for co-operative housing. Common Equity NSW already operates co-operatives in two of the four Inner West TOD precincts — Dulwich Hill and Marrickville — and has the local knowledge, community relationships and specialist capability to take on SEPP management obligations in the LGA from day one. The mechanism for activating this opportunity is detailed in Additional Proposal 3 below.

***The Policy should include guidance directing developers to consider specialist providers with demonstrated LGA presence and co-operative housing capability when meeting Housing SEPP management obligations.***

# Our Additional Proposals

The following three proposals represent additional mechanisms that Common Equity NSW strongly encourages Council to consider both within the Policy and its implementation, and as part of the planned Governance and Distribution Framework.

## 1. A Community Co-operative Housing Delivery Target

To give practical effect to the recognition of co-op housing as a priority delivery model, we propose that Council adopt a target for a minimum of one in five new community housing developments delivered through the finalised Policy to be specified as co-operative housing (or include a co-operative housing component). This target would provide the pipeline certainty needed for Common Equity NSW to plan and resource co-operative housing formation in the LGA and ensure that co-op housing remains a core offering in the Inner West LGA.

## 2. Co-operative Housing Criteria in Governance and Distribution Framework

We note that the Governance and Distribution Framework has not yet been developed but will set the conditions for how Council administers affordable housing contributions, selects its nominated CHP(s), and directs procurement. Where Recommendation 1 addresses eligibility for nomination and Recommendation 3 addresses evaluation criteria within the Policy, this proposal addresses how co-operative housing capability should be weighted in the Framework's procurement and allocation mechanisms — particularly in relation to medium density developments.

Common Equity NSW proposes that when prepared, the Framework explicitly include co-operative housing delivery capacity as a weighted evaluation criterion – ensuring that the co-op housing recognition within the Policy is given practical application in the governance mechanisms that determine how contributions are actually deployed.

In developing the Framework, Council should also consider whether a panel model for CHP nomination — comprising three to five providers representing diverse housing models and registration tiers — would better serve the Policy's objectives than a single nominated CHP. A panel approach would prevent specialist providers from being structurally locked out by a single-provider appointment, enable housing model diversity across the contribution pipeline, and allow Council to match contribution deployment to the provider best placed to deliver for specific target cohorts.

**Common Equity NSW would welcome the opportunity to participate in such a panel as the specialist co-operative housing provider for the LGA.**

## 3. Preferred Provider Register for Housing SEPP Management

The Policy does not currently contemplate a mechanism for connecting private developers with specialist CHP providers when meeting their Housing SEPP affordable housing management obligations. Common Equity NSW proposes that Council establish a preferred provider register for this purpose — one that includes specialist Tier 2 providers with demonstrated LGA presence and co-operative housing capability, and that is actively promoted to developers navigating SEPP compliance.

Common Equity NSW already operates co-operatives in Dulwich Hill and Marrickville — two of the four Inner West TOD precincts — and could be listed on such a register immediately. This proposal would formalise and continue to activate an existing local presence and would create a pipeline through which SEPP-delivered stock could, over time, transition toward co-operative tenancy models where appropriate communities exist or can be formed.

A preferred provider register of this kind would also complement a panel nomination model under the Governance and Distribution Framework — creating a consistent principle across both the EP&A Act contribution pipeline and the Housing SEPP pathway that housing model diversity is valued, and that specialist providers with demonstrated LGA presence are recognised and accessible to developers and Council alike.

# Attachment

The requested amendments are only the items highlighted in yellow – the remainder of the text is included for context only

## 1. Glossary amendments:

Our recommendation is to amend the glossary to include co-op housing to align with its inclusion in the Homes NSW community housing definitions

**1.1 Update:**

| | |
|---|---|
| Community Housing Provider (CHP) | A Community Housing Provider (CHP) is an organisation who delivers social housing, Affordable Housing or **Co-operative Housing*** and related services to people on Very Low, Low or Moderate incomes…<br><br>Note… |
| Key workers | Council might also want to include trades and maintenance workers (including cleaners) |
| Nominated CHP | Registered not-for-profit community housing provider classified as Tier 1 **or Tier 2** under the National Regulatory Code for the National Regulatory System for Community Housing that is nominated by Council to receive, administer and manage contributions received under this Scheme. |
| Subsidised (non market) Housing | Collective~~ly~~ term that refers to rental housing that available to eligible households at subsidised rents. Includes social housing, affordable and **co-operative housing**. |

*From the NSW Community Housing Eligibility Policy (DCJ, Version 3.0, June 2020) - Page 4, Section 1 Introduction:

*"The NSW Department of Communities and Justice (DCJ) and NSW Land and Housing Corporation (LAHC) provide assistance to community housing providers (CHPs) to supply subsidised rental accommodation to people on very low to moderate incomes. Specifically, assistance is provided for the following types of accommodation: social housing; affordable housing; **co-operative housing**; transitional housing; and crisis accommodation."*

**1.2 Addition:**

| | |
|---|---|
| *Co-operative housing* | *A specific model of community housing management based on mixed income eligibility, tenant management and co-operative principles.*** |

**From the NSW Community Housing Eligibility Policy (DCJ, Version 3.0, June 2020) - Page 9, Section 10 Glossary

## 2. Other amendments:

### 1.2 Application of the Policy

… The Affordable Housing contributions requirements in this Policy do not apply to the following types of residential development that may be enabled by a proposal:

- Social, affordable and **co-operative housing** (excluding those delivered under initiatives of the Housing SEPP), including boarding houses (as defined by the Housing SEPP).

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5 June 2026

## Draft Inner West Affordable Housing Policy

We thank you for this opportunity to respond to the Draft Inner West Affordable Housing Policy.

### Uniting context

Uniting NSW.ACT is the social services and advocacy arm of the Uniting Church in NSW and Australian Capital Territory.

We provide innovative and person-centred services that in 2024-25 supported over 156,000 people at all stages of their lives, including children, young people and families, older people, and people with disability.

In our housing strategy, we focus on housing older people, and younger people, especially those leaving State care.

Uniting NSW.ACT is a registered community housing provider, specialist homelessness service, retirement village operator and developer of new affordable and retirement homes and residential aged care accommodation. We also develop and operate early learning centres, and multi-function campuses on properties owned by the Uniting Church.

We have 13 operational sites in the Inner West Local Government Area (LGA):

- an early learning centre
- a community centre
- a Home and Community Care Service
- Residential Aged Care (RAC) accommodation for 532 residents, including sites specialising in support for older people who have experienced homelessness and need mental health support
- Retirement Villages with 114 retirement and social and affordable homes
- Rental housing of 17 affordably priced homes.

Near to the LGA we provide specialist youth housing at Foyer Central for 53 young people and many more social, affordable, and retirement homes and residential aged care services, disability care, specialist homelessness and mental health services.

### Comments on the draft policy

We support the objectives of the draft policy and offer the following recommendations to strengthen its effectiveness.

We also endorse the submission and recommendations provided on the policy separately by Faith Housing Australia, of which Uniting NSW.ACT is a member.

## Recommendation 1: Replace the Single-Provider Tier 1 CHP Model with a Flexible Multi-Provider Partnership Framework across tiers

**The Inner West Council should work with multiple Community Housing Providers (CHPs) including Aboriginal CHPs to make best use of diverse strengths and capacity.**

The policy currently proposes to limit participation to a single CHP.

This will reduce the potential flexibility, timeliness, innovation and overall delivery capacity of Council's scheme.

CHPs each bring particular strengths, including their capacity to facilitate property development, borrow funds and broker partnerships, access suitable landholdings, and experience working with specific client cohorts.

By intentionally engaging a diverse range of CHPs, the Council can increase the quantity, timeliness and appropriateness of affordable housing delivered across the Inner West, especially as different CHPs and their Boards can have different capacity at different times.

We provided similar recommendations in our response to the Draft Hills Shire Affordable Housing Contributions Scheme and Distribution Policy. The Hills Shire Council adopted these recommendations, stating:

> "The management of any affordable housing dwellings dedicated to Council be outsourced to a single <u>or multiple community housing providers</u> with demonstrated experience and expertise, by way of tender or expression of interest process in line with Council's Purchasing Guidelines in the future once contributions have been received."[1]

**The Affordable Housing Policy should include Tier 2 and 3 CHPs.**

The draft policy's approach of prioritising a single nominated Tier 1 CHP constrains its potential effectiveness.

In addition to Tier 1 CHPs who are well positioned to deliver large-scale developments, Tier 2 and 3 CHPs can contribute specialised and place-based expertise and may also have developer expertise.

Typically, faith-based community housing providers are registered as Tier 2 or 3 CHPs. This is because they usually cannot be companies limited guarantee, which is a prerequisite for Tier 1 status. Tier 2 or 3 status does not imply an organisation is smaller or less capable.

Faith-based CHPs typically undertake extensive development activity, in housing and other portfolios – like retirement and residential aged care.

For example, Uniting NSW.ACT is a Tier 2 CHP.

In 2025, for our Leichhardt housing projects at Hawkins Place and McRae-McMahon Place, we won Development of the Year in the Urban Developer Awards for Industry Excellence in Retirement, Aged Care and Seniors Living.

The two Leichhardt sites provide 114 homes for older people, including 18 social and affordable homes. They host a range of apartment types and include communal facilities

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[1] The Hills Shire Council (2025). *Ordinary Council Meeting Minutes – 28 October 2025 (Item 2)*. Accessed at: [Ordinary Council Meeting Minutes]

designed to support ageing in place, smart technology, a pool and retail facilities including a seniors gym.

**As a Tier 2 CHP and faith-based organisation, Uniting brings a complementary set of strengths.**

- As a faith-based organisation, we have access to greenfield and brownfield land and properties suitable for redevelopment and retrofitting in and near the LGA to enable resident relocations which unlock more homes.
- We have in-house property development capability, with experience of multiple State Significant Development scale residential projects.
- We have expertise in how built-form can support particular cohorts. We are partnering with the Australian Government funded Building 4.0 Cooperative Research Centre to develop and co-design with young people and youth services a youth housing design guide for transitional, and affordable, housing. The project also explores how modern methods of construction can enable more quality youth homes faster. We note Homes NSW is also collaborating with the Building 4.0 to deliver more social housing sooner too.
- We have existing relationships in the communities we serve and can leverage our relationships across the sectors we work in – including to support some residents to move from homelessness services, private, public or other community housing into residential aged care, as this can unlock more homes for others in the community too.
- We have experienced the benefits of partnering with other CHPs. For instance, we partner with St George Community Housing (SGCH) to deliver Foyer Central[2]. SGCH is the owner and manager of the Foyer Central building and is responsible for delivering transitional housing tenancy and property management services. Uniting manages the day-to-day operations of Foyer Central, providing on-site support services to young people who have experienced or been at risk of homelessness and young people leaving care.
- Uniting has capacity to contribute equity to projects, and to contribute other in-kind, practical or financial resources which can enable more housing. For example, Uniting is a significant provider of Leaving Care services, and young people's leaving care packages can help fund support which makes generating more youth housing possible. These contributions mean Inner West Council can leverage smaller amounts of upfront investment from affordable housing contributions to deliver a greater volume of affordable housing.

These strengths position us as an effective partner for the Inner West Council's affordable housing initiatives – with Council, and other CHPs or Aboriginal CHPs.

## Recommendation 2: Enable appropriate flexibility of contribution requirements

The policy should adopt a pragmatic approach to the percentage of contributions required for new developments.

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[2] Foyer Central is a purpose-built youth transitional housing complex of 53 studio apartments in Chippendale. Visit the [Foyer Central website] for more information.

We support the policy's approach to distinguishing the value of differently located land.

We would like to see clear exemptions from contributions for all types of seniors housing and accommodation.

Contribution requirements should therefore be applied with appropriate flexibility.

### Recommendation 3: Broaden advocacy

We support advocacy to maximise social and affordable housing on government land.

We note that sometimes, mixed tenure housing within a site is not the best economic use of that land, as more social and/or affordable homes may be able to be generated and managed more efficiently, elsewhere in the LGA, nearby or in other parts of NSW instead.

Council should be pragmatic when it considers and determines development applications for housing on government land. This should include allowing for consideration of locations where Homes NSW and/or the Aboriginal Housing Office have increased the quality, useful life and/or number of social homes, through their own, or partnership projects with CHPs including Aboriginal CHPs, including in projects which focus on social housing, or do not include affordable, or market housing.

Council can play a role advocating to the Australian Government and Housing Australia about the following as this will generate more social and affordable homes sooner:

- Continue the Housing Australia Future Fund funding rounds, concessional loan arrangements and availability payments.
- Adapt the current $300M loan component of the crisis and transitional housing investment program to grants, or to concessional loans (rather than 'senior debt' as is currently offered and is not being used).
- Adapt First Nations housing investment programs to include grants.
- Make it possible, and simpler, to combine Housing Australia finance products for community housing providers and residents into housing projects.
- Adopt the Homes NSW 'Community Housing Assistance Agreement' approach to contracting CHPs for grants projects, for example for projects up to $5-10M. Detailed contracting for simple grant projects is currently required by Housing Australia, taking significant time and use of lawyers. Homes NSW grant contracts use a simple, standard contract which has been negotiated and agreed with the NSW community housing sector and its peak body, CHIA NSW, which sees grant funding contracted typically within a month.

### Recommendation 4: Consider how to reduce car dependency across the LGA

We welcome the policy recognising affordable housing should be well located close to public transport.

As the Inner West is already well-serviced by public transport, Council should be open to reducing car park requirements for social and affordable housing developments – especially those delivered by Homes NSW, CHPs and Aboriginal CHPs, and projects which are 100% social and/or affordable housing (rather than mixed tenure). Priority should be given to housing people, not cars.

Council's policy should have regard to when social and affordable housing projects make use of car-share programs and be flexible to reduce car parking requirements, as this allows greater investment in the quality, amenity and number of social and affordable homes.

As part of considering the policy, some of our local staff told us they saw the need for affordable housing through their interaction with our clients and felt it in their own lives.

Some staff who work in our services in the LGA, especially those on rostered shifts, have told us that they live in Western Sydney and travel to the Inner West for work. While their families are in Western Sydney and they live in larger homes there, they could not reasonably move into the Inner West themselves.

They have told us that parking at work and near to work has been a consideration for them, and that recent cost of living increases – generally, and for fuel – have led to requests to change their shift times, so they can more confidently use public transport earlier in the day (rather than e.g. late at night).

We have also heard staff say they would like Council to consider a local worker parking permit – for example perhaps allowing 4 hour parking, as staff have said they step out of work to move their cars during their shifts.

### Recommendation 5 – be flexible about eligibility by cohort type on entry

Good housing is stable housing. The policy identifies a range of cohorts for prioritisation by demographics and career. We suggest career-based eligibility be considered ‘on entry’ to the homes, so that if people’s status changes over time, they can retain their connection to their home and community, and housing providers are not unnecessarily creating turnover, vacancies, and wear and tear in buildings and housing market churn.

Thank you again for seeking feedback on the Draft Inner West Council Affordable Housing Policy.

Yours sincerely,

Emma

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**Draft Inner West Affordable Housing Policy (2026)**

**Prepared by Hume Housing from the perspective of a Tier 1 Not-for-Profit Community Housing Provider (CHP)**

Thank you for the opportunity to provide feedback on the Draft Inner West Affordable Housing Policy. Overall, the policy demonstrates a strong strategic commitment to increasing affordable housing supply and appropriately recognises the role Tier 1 CHPs play in delivering and managing affordable housing at scale.

The following comments are provided from the perspective of a Tier 1 CHP operating under the National Regulatory System for Community Housing (NRSCH), with experience in financing, delivering, owning and managing affordable housing assets across metropolitan Sydney.

**1. Strong Recognition of the Role of Tier 1 CHPs**

**Reference: Pages 8–9, Objectives 5 and Governance Framework Discussion**

The policy appropriately recognises the role of CHPs in facilitating affordable rental housing outcomes, particularly through Objective 5 and the proposed Governance and Distribution Framework.

The references to:

- strategic partnerships with CHPs;
- leveraging CHP balance sheets;
- long-term management arrangements; and
- distribution of contributions to nominated CHPs

are strongly supported.

Particularly positive is the recognition that CHP-owned assets can create a "multiplier effect" through leverage and reinvestment. This reflects contemporary best practice within the affordable housing sector.

**Recommendation**

Council should strengthen this position further by:

- explicitly recognising Tier 1 CHPs as preferred long-term ownership and delivery partners; and
- acknowledging the role Tier 1 CHPs play in accessing Housing Australia finance, institutional lending and government subsidy programs.

**2. Governance and Distribution Framework**

**Reference: Page 9 and Pages 29–30**

The policy provides a positive strategic foundation for partnership with Tier 1 Community Housing Providers, particularly through:

- the proposed Governance and Distribution Framework;
- recognition of CHP leverage capability;
- commitment to perpetual affordable housing outcomes; and
- preference for Tier 1 not-for-profit CHPs.

From a policy perspective, the level of detail included is generally appropriate.

However, Council should ensure the future Governance and Distribution Framework is developed collaboratively with Tier 1 CHPs to support:

- operational feasibility;
- effective asset stewardship;
- financial sustainability; and
- alignment with NRSCH requirements.

**Recommendation**

Rather than incorporating further operational detail into the policy itself, Council should:

- retain flexibility within the policy framework; and
- commit to sector consultation during preparation of the Governance and Distribution Framework.

### 3. Strong Support for Perpetual Affordable Housing

**Reference: Pages 13–14 and 29–30**

The policy provides a strong commitment to perpetual affordable housing outcomes and appropriately identifies:

- title-based mechanisms;
- funding agreements;
- replacement obligations; and
- Council oversight of any divestment or withdrawal of dwellings.

From a Tier 1 CHP perspective, this provides an appropriate policy-level framework for long-term asset stewardship and aligns broadly with CHP ownership and reinvestment models.

The inclusion of covenant and funding agreement mechanisms appropriately balances long-term public benefit protections with CHP operational flexibility.

### 4. Dwelling Standards and Long-Term Management

**Reference: Pages 13, 24 and Schedule 1 (Page 33)**

The policy provides a strong and well-considered framework regarding the quality and long-term management of Affordable Housing dwellings.

The following elements are particularly supported:

- requirement for dwellings to be tenure blind;
- expectation that dwellings be comparable to market housing;
- recognition of operational and lifecycle management considerations;
- preference for strata arrangements that minimise ongoing costs and improve operational control;
- encouragement of durable and low-maintenance materials;
- and acknowledgement of the importance of early CHP involvement during design stages.

From a Tier 1 CHP perspective, these principles appropriately recognise that Affordable Housing assets require long-term stewardship and operational efficiency, not simply initial delivery.

The policy strikes an appropriate balance between:

- strategic policy direction; and
- allowing flexibility for project-specific design responses through future delivery and partnership processes.

**Minor Recommendation**

Council may wish to consider, in future implementation documents or design guidance, whether reference should also be made to:

- universal design/accessibility outcomes;
- adaptable housing targets; and
- environmentally sustainable design outcomes that support long-term operational efficiency and tenant affordability.

However, these matters are not considered essential for inclusion within the policy itself and may be more appropriately addressed through future implementation frameworks, development assessment processes or design guidance documentation.

**5. Contribution Rates and Feasibility**

**Reference: Pages 20–27**

The policy establishes a clear and transparent framework for Affordable Housing contribution rates, including:

- defined contribution percentages;
- geographic differentiation of equivalent contribution rates; and
- an identified feasibility review pathway for proponent-led proposals.
  The inclusion of a formal viability testing mechanism is supported, particularly the recognition that:
- site-specific circumstances may vary; and
- feasibility review may be appropriate where a proposal seeks a reduced contribution outcome.

The policy's approach to geographically differentiated contribution rates is also supported as it acknowledges differing market values across the LGA.

From a Tier 1 CHP perspective, maintaining an ongoing and deliverable housing pipeline is important to supporting long-term Affordable Housing supply outcomes.

The current policy generally strikes an appropriate balance between:

- securing Affordable Housing contributions; and
- allowing flexibility through viability review mechanisms.

**Minor Recommendation**

As part of future policy reviews, Council may wish to periodically monitor:

- market conditions;
- construction cost escalation;
- development feasibility trends; and

- effectiveness of contribution settings over time.

This would help ensure the policy continues to support both housing delivery and affordable housing outcomes across varying market cycles.

**6. Flexible Contribution Delivery Pathways**

**Reference: Pages 20–27**

The policy establishes a clear and transparent framework for Affordable Housing contributions, including:

- defined contribution rates;
- geographically differentiated equivalent monetary contribution rates; and
- multiple contribution delivery pathways.
  From a Tier 1 CHP perspective, the policy appropriately recognises that:
- Affordable Housing contributions are a critical mechanism for generating long-term affordable housing supply; and
- CHP partnerships can leverage these contributions to deliver additional housing outcomes over time.
  The inclusion of:
- viability testing provisions; and
- flexibility in contribution delivery methods,

is also supported as this assists in maintaining an ongoing pipeline of housing delivery across varying market conditions.

**Minor Observation**

From a Tier 1 CHP perspective, retaining flexibility in contribution delivery mechanisms is supported, particularly where:

- in-kind dwelling contributions can support timely delivery outcomes;
- dwelling configurations are operationally suitable; and
- long-term management arrangements can be efficiently established.

The policy appropriately allows Council and nominated CHPs discretion in determining the most suitable contribution form on a case-by-case basis.

**7. Recognition of CHP Delivery and Stewardship Capacity**

**Reference: Pages 13, 18–19 and 30–31**

The policy demonstrates a strong understanding of the role Tier 1 not-for-profit CHPs play in the long-term delivery, ownership and management of Affordable Housing.

In particular, the policy appropriately recognises:

- the ability of CHPs to leverage housing assets to support additional housing delivery;
- the structural advantages of the community housing sector in delivering Affordable Housing cost-effectively;
- the importance of long-term stewardship and reinvestment of Affordable Housing assets;
- and the need for Affordable Housing management arrangements to remain financially sustainable.

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From a Tier 1 CHP perspective, this recognition is strongly supported and reflects contemporary best practice in Affordable Housing policy development.

The policy appropriately acknowledges that:

- Affordable Housing outcomes are strengthened where contributions can be leveraged by experienced CHPs; and
- long-term asset ownership and management arrangements are critical to sustaining Affordable Housing supply in perpetuity.

**Recommendations**

Council should consider further strengthening the policy by:

- reinforcing the importance of retaining Affordable Housing assets within CHP ownership structures to maximise long-term leverage opportunities; and
- acknowledging the role of CHP asset recycling and portfolio optimisation in supporting growth and renewal of Affordable Housing stock, subject to no net loss outcomes. Council may also wish to recognise that the greatest Affordable Housing outcomes are often achieved where:
- Affordable Housing contributions are combined with CHP equity and debt capacity;
- delivery partnerships are established early; and
- long-term ownership and management certainty is maintained.

This would further reinforce the strategic partnership approach already embedded throughout the policy.

**8. Strong Support for Priority Cohort Approach**

**Reference: Pages 11–12**

The policy adopts a broad and inclusive approach to identifying target tenant cohorts for Affordable Housing and this is strongly supported.

The inclusion of:

- key workers;
- older people, including older women;
- young people with connections to the LGA;
- sole parent families and people escaping domestic violence;
- Aboriginal and Torres Strait Islander peoples;
- people with disability and those at risk of homelessness; and
- artists and cultural creators,

appropriately reflects the diversity of housing need within the Inner West.

The policy's approach of seeking to assist all identified groups, rather than establishing a rigid hierarchy of need, is also supported.

This provides flexibility for CHPs to respond to:

- changing housing demand;
- local housing pressures; and
- evolving community need over time.

**Recommendation**

Council should consider:

- continuing to maintain flexibility in tenant allocation approaches to enable CHPs to respond to changing housing need and operational considerations;
- recognising that tenant allocation policies should align with CHP regulatory obligations and NSW Affordable Housing Guidelines; and
- supporting a mix of household types and bedroom configurations across Affordable Housing portfolios to respond to diverse community needs.

Council may also wish to ensure future implementation frameworks retain sufficient flexibility to respond to emerging priority cohorts over time.

**9. Early CHP Involvement in Delivery Processes**

**Reference: Page 33 and Pages 9, 14 and 29–30**

The policy appropriately recognises the value of early Community Housing Provider involvement in the design and delivery of Affordable Housing outcomes.

In particular, Schedule 1 acknowledges that:

"Early input from the nominated CHP at the design stage will inform construction design and material choice."

This recognition is strongly supported from a Tier 1 CHP perspective.

The policy also appropriately identifies:

- strategic partnerships with the community housing sector;
- the role of the Governance and Distribution Framework;
- and collaboration with nominated CHPs regarding contribution suitability and management arrangements.

From a Tier 1 CHP perspective, early involvement in project planning and design can support:

- more efficient long-term management outcomes;
- improved dwelling functionality;
- reduced lifecycle maintenance costs;
- appropriate dwelling mix and configuration; and
- improved operational sustainability.

**Recommendations**

Council should consider continuing to encourage:

- early engagement between developers and nominated CHPs where in-kind dwelling contributions are proposed;
- collaborative delivery models that support long-term operational efficiency; and
- ongoing engagement with Tier 1 CHPs during development of the Governance and Distribution Framework.

The policy already establishes a strong strategic basis for these outcomes and the above measures would further reinforce the partnership-based approach underpinning the document.

**10. Monitoring and Reporting Framework**

**Reference: Page 31**

The policy includes an appropriate commitment to ongoing monitoring and review of Affordable Housing contributions and delivery outcomes.

The proposed review framework appropriately includes consideration of:

- contribution rates;
- Affordable Housing contributions received;
- allocation of funding;
- delivery outcomes;
- advocacy initiatives; and
- maintenance and management matters.
  From a Tier 1 CHP perspective, this demonstrates a positive commitment to:
- transparency;
- ongoing policy evaluation; and
- long-term stewardship of Affordable Housing outcomes.

**Recommendations**

Council should consider including periodic public reporting on:

- the number of Affordable Housing dwellings delivered;
- the type and tenure of dwellings delivered;
- the geographic distribution of Affordable Housing outcomes across the LGA;
- the value and type of contributions received (cash, land or dwellings); and
- outcomes achieved through partnerships with Tier 1 CHPs and other delivery partners.

Council may also wish to consider reporting on broader Affordable Housing outcomes achieved through partnership arrangements over time.

These measures would further strengthen transparency and demonstrate the long-term impact of the policy in increasing Affordable Housing supply within the Inner West LGA.

**Conclusion**

Hume Housing strongly supports the strategic direction of the Draft Inner West Affordable Housing Policy and considers it to provide a sound foundation for increasing affordable housing supply across the LGA. The policy appropriately recognises the important role of Tier 1 not-for-profit CHPs in delivering, owning and managing affordable housing over the long term, and its emphasis on perpetual outcomes, partnership-based delivery and flexible implementation pathways is strongly supported. With continued engagement with the community housing sector during development of the Governance and Distribution Framework and future implementation documents, Council will be well placed to translate this strong policy intent into practical, financially sustainable and enduring affordable housing outcomes for the Inner West community.

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Nigel Riley
Senior Strategic Planner
Inner West Council

Via planning@innverwest.nsw.gov.au

Dear Nigel and Council Members,
We are pleased to provide feedback on the Inner West Council Affordable Housing Policy.

Metro Community Housing Co-op Ltd, established in the 1980s as the Marrickville Area Residential Tenants Association, has supported diverse community members to access and sustain affordable housing for more than 40 years. We welcome the Inner West Council Affordable Housing Policy and broadly support its intent to respond to community need and increase the supply of affordable housing.

It is encouraging to see Council set out how affordable housing contributions are intended to operate, including benchmark targets for sites that are being upzoned and advocacy for at least 30% affordable housing on government-owned sites.

We also welcome the proposal that contributions be transferred to not-for-profit Community Housing Providers (CHPs). This is a positive and distinctive feature of the policy that sets Inner West Council apart from many other councils.

Our closer review of the draft policy has identified several areas where it could be strengthened to better reflect the diversity of housing need across the Inner West and to ensure the policy's intent is realised in practice.

Both Tier 1 and Tier 2 providers operate within the National Regulatory System for Community Housing. Both are required to demonstrate sound governance, service quality, financial viability, and a commitment to increasing the supply of social and affordable housing in order to maintain registration.

This regulatory framework gives Council assurance that both Tier 1 and Tier 2 CHPs are subject to appropriate governance, service standards, and financial oversight.

Allowing both tiers of CHP to deliver and manage affordable housing would enable Council to maximise outcomes and support a broader mix of delivery timeframes, project scales, and housing types suited to the diverse needs of the Inner West community.

Tier 1 providers often focus on larger-scale projects with longer lead times. By contrast, Metro Community Housing and other Tier 2 providers can often deliver smaller projects more quickly and in ways that are responsive to the local community.

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**We recommend that Council consider both Tier 1 and Tier 2 CHPs for the development and management of affordable housing dwellings.**

There is value in engaging providers with different operating models, risk profiles, and delivery approaches, particularly given the Inner West's distinct urban context and varied community needs.

**We recommend that Council does not restrict the number of CHPs that may be nominated, in order to preserve diversity, competition, and flexibility in delivery.**

**We recommend that Council retain affordable housing contributions and establish an Affordable Housing Fund, to be allocated through a grant process open to eligible Tier 1 and Tier 2 CHPs.**

This approach would allow CHPs to leverage their own capital, together with private, State and Commonwealth partnerships, to deliver more affordable housing more quickly and in ways that respond to local need across the Inner West LGA.

**We recommend that Council maintain its commitment, as expressed at the Extraordinary Council Meeting in September 2025, to increase affordable housing contributions for additional residential floor space to 20%.**

This would support steady and sustainable growth in the Affordable Housing Fund and, when combined with a grant-based approach open to both Tier 1 and Tier 2 CHPs, would help drive a consistent pipeline of affordable housing delivery.

There is both political and operational risk in directly transferring housing stock to a single nominated CHP, particularly where the draft policy contemplates only one provider in the first five years. Diverse community needs require diverse forms of service delivery. Affordable housing is not one-size-fits-all, and neither are affordable housing providers.

**We strongly recommend that any transfer of local government assets be undertaken in accordance with probity standards and through an open, competitive tender process available to both Tier 1 and Tier 2 CHPs.**

Having worked alongside the local community for more than 40 years, Metro Community Housing is committed to supporting Council's efforts to improve housing affordability. Our community is diverse, and we welcome stronger inclusion of low and very low income households within the policy so that the needs of the most vulnerable members of our community are better addressed.

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**We recommend that the policy includes a minimum proportion of housing delivered through affordable housing contributions that is allocated through Community Housing Providers to low and very low income households.**

Housing affordability is directly linked to household income. Ensuring that housing costs are no more than 30% of household income is critical to maintaining genuine and ongoing affordability.

**We recommend that the policy specify that rents charged must not exceed 30% of household income in order to ensure ongoing affordability.**

In summary, Metro Community Housing supports the overall direction of the Affordable Housing Policy and encourages Council to strengthen it by adopting a more inclusive, flexible and transparent approach to delivery. We believe these refinements will help ensure the policy responds to the diversity of need across the Inner West and delivers greater long-term benefit for low, very low and moderate income households. We would welcome the opportunity to continue working with Council to help achieve these outcomes.

Yours sincerely

Lisa Bonavia

Lisa Bonavia
Metro Community Housing
CEO

4 June 2025

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## SUBMISSION: DRAFT AFFORDABLE HOUSING POLICY

This submission is made by the Community Housing Industry Association NSW (CHIA NSW) in response to the Draft Affordable Housing Policy (the draft Policy).

CHIA NSW represents Australia's largest not-for-profit community housing industry, which collectively owns or manages more than 67,000 homes across NSW for individuals and families who cannot afford to rent or purchase a home on the private market. This includes approximately 1,600 homes in the Inner West local government area (LGA).

As Council is aware, the Inner West faces a severe shortage of affordable rental housing, with lower income households increasingly priced out of their communities. An estimated 4,700 households (6.1%) in the Inner West do not currently have their housing needs met – a figure projected to grow to 7,300 households by 2041.[i]

CHIA NSW commends and strongly supports Council's efforts to facilitate the delivery of affordable rental housing across the Inner West. The draft Policy will support the implementation of Council's affordable housing program by improving certainty and transparency, and establishing clear expectations for proposals benefiting from development uplift.

CHIA NSW provides the following comments to assist with the finalisation of the draft Policy.

### Planning proposal contribution requirement

Well-designed affordable housing contribution schemes are an effective mechanism for ensuring development contributes to local housing needs. Establishing clear expectations now will support the viability of future contributions and avoid opportunities being missed.

However, the proposed 10% contribution rate represents a reduction in expectations compared to the 15% target in Council's current Affordable Housing Policy, which has applied since 2017. CHIA NSW understands the proposed rate has been informed by feasibility testing. However, that testing is high level and reflects a point-in-time assessment of current market conditions.

There is strong evidence that carefully implemented contributions requirements do not impede development feasibility, as developers factor them into the land acquisitions costs[ii]. While a lower requirement may be necessary in the initial years of a scheme, a higher target is likely to be supported if the market is given sufficient notice.

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CHIA NSW therefore strongly encourages Council to adopt a higher benchmark rate to establish clear expectations for future planning proposals. This would strengthen Council's negotiating position, without unduly impacting development projects already in the pipeline. CHIA NSW notes that the draft Policy provides a mechanism for lower contributions to be considered where supported by a feasibility analysis.

To further strengthen the application of the draft Policy, CHIA NSW recommends that Council embeds the benchmark rate for planning proposals within its Local Strategic Planning Statement (LSPS). Anchoring the policy in the LSPS will give it greater weight as it is a core consideration in the strategic merit test applied to planning proposals.

It is further recommended that the draft Policy requires a review of contribution schemes at least every three years, to identify opportunities to escalate rates in line with changes in market conditions.

CHIA understands Council's intention is for the planning proposal contribution requirement to apply in addition to any baseline contributions rates already in place through the Inner West LEP, consistent with the City of Sydney's approach. While this is implied in the worked examples, it is not clearly reflected in the draft policy provisions. To avoid ambiguity, CHIA NSW recommends that the draft Policy is amended accordingly.

## Satisfying contribution requirements

CHIA NSW supports the option for affordable housing requirements to be met through either dedication of dwellings, land, or equivalent monetary contributions.

<u>Equivalent monetary contributions</u>

The experience of CHPs is that securing in-kind contributions involves significant time, negotiation and legal complexity. Monetary contributions provide a more efficient means of delivering affordable housing outcomes, particularly where contribution requirements are low. Monetary contributions can be pooled and used to fund purpose-built affordable housing developments, that are not subject to high strata fees and other operating inefficiencies arising from a portfolio of individual dwellings scattered across multiple mixed-tenure developments.

Achieving operating efficiencies is particularly critical when rents are capped at 30% of household income. Even where strata costs appear reasonable initially, they can escalate unexpectedly over time due to issues such as defects or deferred maintenance, thereby undermining the financial viability of affordable housing. This risk is heightened when developments are not built to the quality standards typically sought by CHPs, which often differ from those of build-to-sell developments.

CHIA NSW supports the use of variable monetary rates that reflect delivery across different sub-markets. It is unclear how the proposed rates have been determined. CHIA NSW recommends that Council undertake modelling to ensure the proposed rates accurately reflect the cost of delivering affordable housing in the various precincts.

Dedication of dwellings

While monetary contributions offer the greatest potential to optimise affordable housing outcomes, the dedication of dwellings can be effective in certain circumstances, provided they are well-designed and operating costs are reasonable. Where on-site provision is being considered, early engagement with a CHP is essential to ensure the needs of target tenants are accounted for, operational costs are reasonable, and to consider management and maintenance arrangements.

CHIA NSW welcomes the inclusion in the draft Policy of guiding principles and standards for dedicated dwellings. These are generally supported. To support liveability, the standards should also require dedicated dwellings to achieve a level of amenity that is commensurate with the broader development. This includes ensuring that an equivalent proportion of dwellings meet cross-ventilation and solar access standards.

To improve the likelihood that proposed dwellings are suitable and ultimately accepted, the nominated CHP should ideally be involved at the concept and design stages, before a DA is lodged. This will enable CHPs to more effectively input into building design and material choices. CHPs should also be involved in critical inspections throughout the construction phase to help identify and address issues early, and ensure homes are delivered to the required standard.

To further support quality assurance, CHIA NSW recommends that Council develops a standardised specification and performance schedule for dedicating affordable housing, in consultation with CHPs. This would provide greater clarity to all parties and assist with handover processes and defects management.

## Target tenant cohorts

CHIA NSW acknowledges Council's objective of ensuring the allocation of affordable housing is well targeted. However, a highly prescriptive approach is likely to create operational difficulties in allocation and tenancy management.

Given the quantum of affordable housing likely to be generated under the program, it may be challenging to meet the needs of all the identified cohorts within the available supply. Greater policy clarity is needed on how assistance should be balanced across the nominated groups, when demand exceeds available supply.

A prescriptive approach also creates uncertainty where tenant circumstances change. For example, if a tenant is allocated housing on the basis of employment in a priority occupation, it is unclear what would occur if they later change jobs.

A narrow list of priority occupations also risks arbitrary outcomes that exclude other lower income workers with comparable housing needs. While the draft Policy identifies a number of important occupations, it omits other workers providing essential services who may also be experiencing housing stress. This includes frontline housing staff, social workers, disability support workers and other community services workers.

For these reasons, CHIA NSW recommends that eligibility for affordable housing under the program be based primarily on income. An income-based approach avoids inadvertently restricting the provision of assistance to households experiencing housing stress, while also supporting efficient allocation and ongoing tenancy management.

An income-based approach does not prevent Council from supporting projects targeting priority cohorts, when opportunities arise. For example, through partnerships with specialist CHPs.

Should Council wish to retain a list of target cohorts, CHIA NSW recommends broadening the definition of "key workers" to better reflect the range of lower income workers facing housing affordability pressures in the LGA. The definition should include community services workers, such as specialist homelessness services workers, disability support workers, youth workers, mental health workers. The definition used by the Community Services Industry Portable Long Service Scheme provides an appropriate and evidence-based benchmark.[iii]

To support transparency and operational integrity, CHIA NSW further recommends the preparation of an allocations policy that clearly articulate policies and procedures relating to the management of affordable housing secured by Council. This policy should include:

- Household eligibility criteria, including how changes in tenant circumstances will be dealt with, such as if they cease to be employed in a priority occupation.
- Expectations around balancing allocations across cohort types.
- How allocation objectives will be balanced with operational and financial sustainability of the portfolio.

CHIA NSW can provide Council with further information and support in the preparation of these policies and procedures.

## Distribution of contributions

CHIA NSW welcomes Council's commitment to transferring affordable housing contributions to not-for-profit CHPs. By assigning tenancy management and property maintenance responsibilities to a CHP, Council will avoid taking on additional risks and liabilities, including with respect to structural maintenance.

As purpose-driven and highly regulated organisations with an established track record of over 40 years, not-for-profit CHPs are strongly placed to ensure a council's housing objectives are achieved most effectively.

Not-for-profit CHPs are now leading major renewal projects, engaging in significant private partnerships, and delivering community-transforming projects. Since 2012, CHPs have delivered more than 8,800 new homes across NSW, representing an investment of over $3 billion.

Requiring affordable housing to be owned and operated by a CHP registered under the National Regulatory System for Community Housing (NRSCH) provides an assurance mechanism. This independent and robust regulatory system ensures high standards of service is provided, that homes continue to be operated as affordable housing, that properties are appropriately allocated to eligible tenants, and maintained at a reasonable standard.

Partnerships with not-for-profit providers offer considerable cost savings to councils, increasing the amount of affordable housing that can be delivered. This value is driven by:

- CHPs' deep expertise in the provision and management of affordable housing, with a long-term focus. Partnerships with CHPs avoid Council having to establish its own housing management team and expertise.

- Savings in construction and operating costs due to CHPs' not-for-profit status and GST exemptions.
- Efficiencies in operating costs from CHPs operating a larger portfolio of properties compared to the likely size of a council-owned portfolio.
- Exclusive access to lower cost finance and funding through Housing Australia.

Research by Paxon Group[iv], commissioned by CHIA NSW in 2023, demonstrated the cost efficiencies that arise as a result of transferring ownership of affordable housing to not-for-profit CHPs. The research found that up to an additional 27% homes could be delivered by CHPs leveraging the asset value of the transferred homes.

This finding aligns with evidence quoted by the Australian Housing and Urban Research Institute (AHURI). Under the Nation Building and Economic Stimulus Program's Social Housing Initiative, 6,276 social homes were transferred to CHPs in NSW. As a result, CHPs leveraged an additional 1,310 homes.

Partnership models

Appointing a nominated CHP/s for a term of at least five years would provide greater certainty to the industry, supporting providers to identify a project pipeline, leverage external funding opportunities, and more effectively manage development and delivery risks. Such an approach will also reduce administrative costs, maximising funding available to be spent directly on housing supply. The appropriate length of appointment should be considered against the quantum of contributions anticipated to be delivered over the life of the program.

The draft Policy proposes to give priority to Tier 1 CHPs with experience in the LGA. While larger providers can bring scale and balance sheet capacity, CHIA NSW notes that smaller and specialist providers active in the area also have development capability. Tier 2 and 3 organisations have successfully participated in state and Commonwealth delivery programs, including the Community Housing Innovation Fund and Housing Australia Future Fund.

Council can maximise outcomes by enabling a diversity of delivery models and partners, rather than relying on a single provider model. This would create opportunities for innovation, place-based responses, and partnerships between CHPs themselves. In practice, this could include selecting more than one CHP to receive contributions, and/or ring-fencing a portion of monetary contributions for an affordable housing grants program. Such an approach would maintain the benefits of certainty and scale, while also enabling participation from a wider range of providers.

Further guidance on potential distribution models is available in CHIA NSW's *Local Government Affordable Housing Implementation Guide.*[v]

## Summary of recommendations

CHIA NSW broadly supports the draft Policy. To strengthen the framework and support the effective delivery of affordable housing, CHIA NSW recommends that Council:

- Strengthen contribution expectations by reinstating a higher benchmark rate for planning proposals, clarifying that uplift contributions operate in addition to existing requirements, and committing to regular (at least three-yearly) reviews of contribution rates to reflect changing market conditions.
- Ensure that equivalent monetary rates are robust and fit-for-purpose by clearly grounding them in the actual cost of delivering affordable housing across different sub-markets.
- Strengthen requirements for dedicated dwellings by mandating early CHP involvement at the design stage, requiring dedicated dwellings to achieve a level of amenity commensurate with market dwellings, and developing a standardised specification and performance schedule for affordable housing dedication, in consultation with CHPs.
- Focus eligibility primarily on household income. If target cohorts are retained, the definition of key worker should be broadened to include community services workers.
- Develop a clear allocations policy to guide prioritisation, manage changes in tenant circumstances, and support transparent and consistent administration of affordable housing.
- Consider opportunities for partnering with a range of CHPs, including Tier 2 and 3 providers. The appropriate length of appointment for nominated CHPs should be considered against the quantum of contributions anticipated to be delivered over the life of the program.

CHIA NSW appreciates the opportunity to engage with Council on the development of the draft Policy. Further information and resources on how councils can support affordable housing outcomes is available from CHIA NSW's website: [https://communityhousing.org.au/local-councils-and-community-housing/](https://communityhousing.org.au/local-councils-and-community-housing/)

We would be happy to discuss any of the recommendations further with Council staff.

Kind regards

Michael Carnuccio
**Manager - Policy**

## References

[i] *Quantifying Australia's unmet housing need* (December 2022) Prepared for the Community Housing Industry Association by Ryan van den Nouwelant, Laurence Troy, and Balamurugan Soundararaj; UNSW City Futures Research Centre.

[ii] Gurran, N., Gilbert, C., Gibb, K., van den Nouwelant, R., James, A. and Phibbs, P. (2018) *Supporting affordable housing supply: inclusionary planning in new and renewing communities*, AHURI Final Report No. 297, Australian Housing and Urban Research Institute Limited, Melbourne.

The Centre for International Economics, (2020) *Evaluation of infrastructure contributions reform in New South Wales - Final Report*, prepared for the NSW Productivity Commission.

[iii] Refer to: Community service work covered by the scheme - Community Services Industry

[iv] Paxon Group (2022) *Local Council Partnerships for Provision of Affordable Housing*, prepared for Community Housing Industry Association NSW.

[v] Available at https://communityhousing.org.au/local-councils-and-community-housing/

# Strengthening Affordable Housing Delivery Through Flexible Partnerships and Innovation

*Submission on the Draft Inner West Affordable Housing Policy*

## Introduction

Faith Housing Australia (FHA) welcomes the opportunity to provide feedback on Inner West Council's Draft Affordable Housing Policy.

FHA represents faith-based community housing providers, homelessness services and faith communities working to increase the supply of social and affordable housing across Australia. FHA's members are actively involved in the financing, delivery and long-term management of social and affordable housing projects across New South Wales, including within the Inner West, and are therefore directly affected by the Policy's proposed implementation framework.

FHA commends Inner West Council for its longstanding leadership on affordable housing and housing diversity. Council's work through the *Our Fairer Future* reforms, and in particular the introduction of the Faith-Owned Land Provision, represents nationally significant planning innovation that recognises the role of mission-driven organisations in contributing to housing supply.

Council has consistently demonstrated a willingness to explore new approaches to increasing affordable housing and has engaged constructively with FHA and our members throughout the development of the Faith-Owned Land Provision. FHA values this ongoing collaboration.

Overall, FHA supports the objectives of the Draft Affordable Housing Policy and welcomes Council's continued commitment to increasing the supply of affordable housing within the Inner West Local Government Area (LGA). However, FHA is concerned that several elements of the proposed implementation framework may unintentionally constrain delivery capacity, slow housing supply, concentrate implementation risk and limit Council's ability to respond to diverse site, partnership and funding opportunities.

This submission focuses on strengthening the Policy's effectiveness by ensuring it maximises housing outcomes, mitigates delivery risk, encourages innovation and supports a broad range of capable delivery partners.

## General Comments

FHA supports Council's clear commitment to increasing the supply of affordable housing, its recognition of Community Housing Providers (CHPs) as critical delivery partners, the long-term retention of affordable housing assets for public benefit, and the use of affordable housing contributions to generate additional housing outcomes. FHA also supports Council's stated intention to leverage partnerships and external investment to maximise affordable housing delivery.

FHA's primary concern is that aspects of the proposed implementation framework place unnecessary constraints on how affordable housing may be delivered, owned and managed. In particular, the Policy adopts an overly centralised delivery model that is not well aligned with the diverse range of affordable housing opportunities emerging across the Inner West.

The Policy should be designed to maximise housing outcomes rather than prescribe a narrow delivery pathway. Inner West Council has already recognised, through the Faith-Owned Land Provision, that affordable housing opportunities arise from a diverse ecosystem of landowners, partnerships and development models. The Affordable Housing Policy should adopt a similarly flexible, outcomes-focused approach.

## Summary of Key Recommendations

**Recommendation 1 – Adopt a multi-provider partnership framework**
Remove the proposed preference for a single nominated Tier 1 Community Housing Provider and enable Council to partner with multiple Community Housing Providers across Tier 1, Tier 2 and Tier 3 classifications, assessed holistically on demonstrated capability and project suitability.

**Recommendation 2 – Increase flexibility in ownership and dedication arrangements**
Allow affordable housing to be delivered and retained by capable mission-driven landowners, subject to robust affordability controls and CHP management, rather than defaulting to dedication of land or dwellings to Council in all cases.

**Recommendation 3 – Support diverse delivery models, including ground leasing**
Explicitly recognise a broader range of affordable housing delivery models, including ground lease arrangements, to improve feasibility, reduce upfront land costs and support long-term affordability outcomes.

**Recommendation 4 – Enable off-site and strategically located delivery**
Clarify that affordable housing contributions may be delivered off-site, including within the same or adjoining precinct, where this enables better design, scale, feasibility or overall housing outcomes.

**Recommendation 5 – Embed a collaborative, outcomes-focused partnership approach**
Strengthen the Policy’s implementation framework by committing to collaborative, flexible partnerships with Community Housing Providers and mission-driven landowners to maximise affordable housing delivery and public benefit.

**Recommendation 6 – Ensure governance arrangements support diverse partnerships**
Design the Governance and Distribution Framework to support multiple delivery partners and maximise affordable housing outcomes through flexible, transparent and outcomes-focused partnerships.

## Recommendation 1: Replace the Single-Provider Tier 1 CHP Model with a Flexible Multi-Provider Partnership Framework

FHA does not support the proposed approach of prioritising a single nominated Tier 1 not-for-profit Community Housing Provider as Council's preferred affordable housing delivery partner.

While Tier 1 CHPs play a critical role in the community housing sector, limiting participation to a single provider risks reducing flexibility, innovation and overall delivery capacity. Affordable housing opportunities vary significantly in scale, complexity, location and target cohorts, and different projects are best suited to different delivery partners.

Large mixed-tenure developments may be appropriately delivered by larger Tier 1 providers, while specialist housing projects are often best delivered by providers with specific cohort expertise. Smaller infill or adaptive reuse projects may be delivered more efficiently by locally embedded Tier 2 or Tier 3 providers. Faith-owned land projects may naturally align with faith-based CHPs that already have established community relationships and operational experience.

It is also important to recognise that the National Regulatory System for Community Housing (NRSCH) tier classification reflects the scale and risk profile of a specific registered housing entity, rather than the full organisational capacity that may sit behind it. In the case of many faith-based Community Housing Providers, Aboriginal Community Housing Providers and other mission-driven housing organisations, a Tier 2 or Tier 3 registration may not accurately reflect the size, scale or capability of the broader organisational structure.

Faith-based CHPs, Aboriginal Community Housing Providers and other community-based housing organisations are frequently part of larger networks of community services, faith institutions or Aboriginal Community Controlled Organisations with substantial governance capability, asset bases, development experience and long-term stewardship capacity. These organisations often operate integrated service models encompassing housing, homelessness, aged care, disability services, health, education, family support and community development. This broader institutional capability can materially de-risk affordable housing delivery, support long-term stewardship and enable access to co-investment and partnership opportunities that extend well beyond the registered housing entity itself.

A policy framework that relies solely on NRSCH tier classification as a proxy for delivery capability is therefore an inadequate and potentially misleading basis for partner selection. Such an approach risks excluding capable, mission-aligned organisations, including faith-based housing providers, Aboriginal Community Housing Providers and other community-based organisations, whose governance maturity, stewardship capability, development experience and delivery track record materially exceed what is implied by tier designation alone. A multi-provider partnership framework that assesses delivery capability holistically is more likely to maximise housing outcomes, reduce delivery risk and align with Council’s stated objectives.

Concentrating delivery and management responsibilities within a single nominated provider also introduces avoidable concentration risk. Organisational capacity, balance sheet constraints, geographic focus and strategic priorities inevitably change over time. A single-provider model reduces Council’s ability to respond to changing market conditions, emerging site opportunities or specialist housing needs and creates a single point of failure within the implementation framework.

This is not simply a governance issue; it is a delivery issue. A single-provider model may limit Council’s ability to match the right provider to the right site, cohort, funding pathway or development opportunity.

FHA has observed that highly centralised affordable housing contribution models can result in contributions being held for extended periods while suitable development opportunities, co-investment arrangements and project pipelines are assembled. While this approach may support some large-scale projects, it can also delay housing delivery and weaken the relationship between the collection of affordable housing contributions and the provision of affordable housing outcomes within the local community. Council should be cautious about adopting a model that prioritises asset aggregation over timely housing delivery. In the context of the current housing crisis, accelerating delivery should be afforded at least equal weight to portfolio growth.

FHA recommends a framework that prioritises housing delivery outcomes, timely deployment of contributions and local housing benefit, and the acceleration of affordable housing supply, rather than concentrating affordable housing contributions within a single organisation.

A broader partnership framework would also strengthen the effectiveness of the Faith-Owned Land Provision. That provision has already demonstrated the potential to unlock otherwise constrained landholdings for affordable housing delivery, with faith-based developments required to deliver a significantly higher proportion of affordable housing than most market-led pathways. However, the full potential of these sites is unlikely to be realised if affordable housing contributions and delivery partnerships are constrained to a single-provider model.

In practice, many faith-based landowners and their housing partners have ambitions to deliver substantially higher affordable housing outcomes on faith-owned land, including, in some cases, developments comprising 100 per cent social and affordable housing. A multi-provider partnership framework would enable Council to strategically aggregate affordable housing contributions, leverage external funding, and co-invest alongside faith landowners and CHPs to support these ambitions where appropriate. This approach would allow Council to maximise housing outcomes on faith-owned sites and ensure that the public benefit unlocked through the Faith-Owned Land Provision is fully realised.

FHA therefore recommends that the proposed preference for a single nominated Tier 1 CHP be removed from the Policy and replaced with a flexible partnership framework that enables Council to work with multiple registered Community Housing Providers based on project suitability, demonstrated capability, target cohort expertise, funding leverage and capacity to deliver housing outcomes.

*We are able to provide further information on models and mechanisms if Council would find it helpful.*

## Recommendation 2: Increase Flexibility in Ownership and Dedication Arrangements

FHA supports Council retaining strong control mechanisms to secure affordable housing outcomes. However, the Policy should allow Council to determine the most appropriate ownership, dedication and management structure on a project-by-project basis.

Many faith-based and other mission-driven organisations are well placed to retain ownership of affordable housing while delivering long-term public benefit outcomes, subject to appropriate affordability controls and management arrangements with registered Community Housing Providers. This is particularly relevant where affordable housing contributions arise from retirement living, seniors housing or other non-speculative developments that are already aligned with community benefit objectives.

In some circumstances, dedication to Council will be appropriate. In others, long-term ownership by a mission-driven organisation, combined with CHP management and enforceable affordability controls, may deliver equivalent or superior affordable housing outcomes while reducing transaction costs and supporting feasibility.

## Recommendation 3: Explicitly Support Diverse Delivery Models, Including Ground Leasing

The Policy should explicitly recognise that affordable housing can be delivered through a range of models, including community housing developments, mixed-tenure developments, faith-owned land projects, joint ventures and partnerships, adaptive reuse and infill projects, integrated housing and support models, housing delivered alongside community facilities and places of worship, and ground lease arrangements.

Ground leasing in particular provides a proven mechanism for retaining land in mission-driven or community ownership while enabling Community Housing Providers to develop, finance and manage affordable housing over the long term. This model can significantly improve feasibility, reduce upfront land costs and support long-term affordability outcomes. Explicit recognition of ground lease arrangements within the Policy would provide clarity and confidence to landowners and CHPs seeking to pursue this model in partnership with Council.

This is particularly relevant in the Inner West, where high land values are a major barrier to affordable housing delivery. Ground leasing can separate land ownership from housing delivery, allowing underutilised community and faith-owned land to be activated without requiring permanent disposal of the underlying land asset.

## Recommendation 4: Enable Off-Site and Strategically Located Affordable Housing Delivery

FHA supports on-site affordable housing where it delivers strong planning, social and management outcomes. However, the Policy should prioritise the greatest affordable housing outcome rather than assume that delivery within the same building will always produce the best result.

Affordable housing contributions should be capable of being delivered off-site, including “down the road” or within the same or adjoining precinct, where this enables better housing outcomes, improved design quality or more efficient aggregation of resources. This flexibility is particularly important for smaller or constrained sites, or where on-site delivery may compromise feasibility or result in sub-optimal outcomes.

A flexible approach to the location of affordable housing delivery would allow Council to strategically pool contributions, align delivery with opportunity sites and support larger or wholly affordable housing projects where scale, management efficiency and social outcomes can be optimised.

## Recommendation 5: Embed a Collaborative, Outcomes-Focused Partnership Approach

The Policy should clearly articulate Council’s commitment to working collaboratively with Community Housing Providers and mission-driven landowners to maximise affordable housing outcomes. This includes recognising the value of early engagement, flexible partnership structures and co-investment approaches that respond to site-specific opportunities.

A collaborative, outcomes-focused partnership framework would better enable Council to deploy affordable housing contributions strategically, leverage external funding and support innovative delivery models, while maintaining appropriate governance and oversight.

## Recommendation 6: Ensure the Governance and Distribution Framework Supports Diverse Partnerships

FHA supports the development of a Governance and Distribution Framework. However, the Framework should be designed to facilitate partnerships with multiple Community Housing Providers, mission-driven landowners and other affordable housing partners.

The Framework should prioritise transparency, flexibility, probity and housing delivery outcomes rather than prescribing a single delivery model. It should enable Council to assess opportunities on their merits, including provider capability, site suitability, target cohort, funding leverage and capacity to deliver additional affordable housing supply.

In particular, the Framework should not pre-determine a single preferred provider but instead facilitate a diverse and competitive delivery ecosystem.

## Conclusion

FHA strongly supports Inner West Council's commitment to affordable housing and recognises Council as one of Australia's leading local governments in housing policy innovation.

The Faith-Owned Land Provision demonstrates Council's willingness to pursue practical, outcome-focused reforms that unlock new housing opportunities while maintaining strong public benefit safeguards. FHA encourages Council to apply the same principles of flexibility, partnership and innovation to the Draft Affordable Housing Policy.

By adopting a multi-provider partnership framework, increasing flexibility in ownership and delivery arrangements, enabling off-site and ground-lease delivery models, and embedding a collaborative approach with Community Housing Providers, Council can strengthen the Policy's effectiveness and fully realise its stated objectives.

FHA looks forward to continuing to work with Inner West Council to support the delivery of social and affordable housing across the Inner West.

The Policy should ultimately be judged by its ability to deliver more homes, more quickly, for people in housing need. The measure of success should not be the number of assets held within a particular governance structure, but the number of affordable homes delivered for Inner West residents.

**Contact**

**Amanda Bailey**
CEO, Faith Housing Australia
[redacted]

Urban Taskforce
AUSTRALIA

9 June 2026

Ms Simone Plummer
Director Planning
c/o Strategic Planning
Inner West Council
PO Box 14
PETERSHAM NSW 2049

Sent to: planning@innerwest.nsw.gov.au

Dear Ms Plummer

## Draft Affordable Housing Policy

I write in response to Inner West Council's draft Affordable Housing Policy.

The Council's proposed policy will create unnecessarily barriers for development, at a time when the industry is facing significant challenges.

Urban Taskforce Australia acknowledges the need for affordable housing initiatives to help address rental stress for segments of our community. We recognise that there is a role for developers to play but believe that the most effective method for delivering such accommodation is through collaboration and incentives.

With construction costs at historically elevated levels, high, in-perpetuity affordable housing contribution rates will prevent many projects from progressing from DA approvals to construction commencement and completions, thus reducing the overall number of market and affordable dwellings delivered within the LGA.

Urban Taskforce Australia's members are concerned that the proposed changes to the affordable housing policy will escalate the cost of delivering housing supply, reduce feasibility, and, ultimately, fail to deliver the desired affordable housing units.

### What is being proposed?

Council has already introduced a **2%** in-perpetuity affordable housing contribution, which will move to **3% after 3 years**, across all privately owned land in upzoned areas.

The proposed amendment will result in a **10%** affordable housing levy on any additional proposed floor space, or a **7.5%** levy on all residential floor space for a building not already zoned for residential development. Council will require no net loss of affordable housing in any redevelopments. That is exorbitant and will have a massive negative impact on housing supply.

The $/sqm rate for monetary contributions (ranging from $11k to $17k with very little explanation for why there need to be differences) will be indexed, and the definition of key workers will be amended to include "artists and cultural creators".

These affordable housing rates will be added to other statutory fees and charges, increasing the cost of housing for all home buyers and renters who do not qualify for reduced-price housing.

The policy will continue the trend of councils hitting up developers for funding for a variety of purposes, without taking any time to determine whether such levies will have a detrimental impact on house prices and affordability.

**An adverse market**

With councils across the state introducing affordable housing levies and seeking to increase developer contributions as a percentage of construction costs, the feasibility of projects is being undermined.

The development sector is facing difficult economic conditions, following three interest rate rises and the ongoing effects of the war in Iran. These are escalating construction costs, which were already too high even before these changes, putting pressure on developers and making projects unworkable.

Council's proposed policy is likely to exacerbate this problem.

Rising land, construction, and regulatory costs, combined with an array of taxes and levies, have adversely affected supply. Councils must do a better job at acknowledging and addressing these market problems rather than continuing to add to them.

Under current policy settings, housing affordability is only going to get worse, as demand continues to outstrip supply.

A high rate for affordable housing – even in situations where there is uplift – will undermine the delivery of new dwellings and cause projects to be abandoned.

If it is too difficult or costly to build, there will be no affordable housing.

Now is not the time to be adding new taxes to market housing, even if it is well-intentioned.

**Affordable housing will increase prices and reduce supply**

You cannot tax your way out of a crisis, but current council proposals across NSW attempt to do just that. While it may be tempting to see developers as a convenient source of revenue, the reality is that seeking too much funding to support local housing aspiration will undermine feasibility.

Initiatives to increase affordable housing need to have market-based practicalities if Council is to have any hope of supporting households in rental stress.

To date, several NSW councils have introduced affordable housing schemes, but **none** of them have delivered the quantum of housing that was intended when the schemes were introduced.

And they have been shown to increase costs overall – for example, Willoughby's affordable housing scheme has been found to increase the cost per unit by as much as $120,000 for developments around Chatswood.

Instead of seeking feedback from industry as to why this may be the case, some of these authorities are now seeking to double-down and increase their affordable housing thresholds.

Yet, balancing housing delivery with economic realities requires not just looking at the needs of renters but understanding the impediments being placed on development and the impacts of increasing taxes and charges.

## Challenges to feasibility

Project feasibility in residential development is already at risk as a result of rising fees, taxes, and charges, poor planning processes and decisions, restrictions on development, zoning constraints, and increasing construction costs.

These increase housing prices and jeopardise the ability of developers to deliver much needed supply as already marginal projects cease to be feasible, despite increasing demand.

Urban Taskforce Australia members advise that the feasibility analysis carried out by Atlas Economics does not reflect the issues faced by developers but appears to be a desktop calculation of the possible impacts.

For example, the consultants proposed the following case study in Dulwich Hill:

- a 1,200sqm site;
- FSR upgraded from 3.5:1 to 4.5:1;
- total GFA of 5,200sqm;
- 60 dwellings at 90sqm per dwelling; and
- an increase of 1,200sqm GFA.

It is assumed there is no commercial space in this development.

According to our calculations, this would result in 84sqm of baseline affordable housing ($1,092,000) and 120sqm of additional affordable housing ($1,560,000), or a total contribution of $2,652,000.

The gross margin before the uplift affordable housing would be $3,410,667, but this would drop to $1,850,667 after the contribution – a margin of 11.9%.

At 80sqm, the gross margin before the uplift affordable housing would be $1,869,000, but this would drop to $309,000 after the contribution, a margin of 2.0%. This would not deliver the significant margins proposed by Access Economics but would cut the margins to the bone and most likely to result in no development occurring.

The only way to make the numbers more workable would be to increase the size of apartments and charge a lot more for them, which would not assist with affordability, and which is unlikely to be supported by the market.

Developers need to ensure that there will be a sufficient return on investment that addresses inherent risks and gives confidence that loans will be repaid, the project will not and regularly does not proceed.

Getting financial feasibility analyses wrong and imposing too high-a requirement for affordable housing (along with other taxes, fees, and charges) will not only mean that no affordable dwellings get built, but it will also discourage the creation of market housing.

Feasibility can only be determined by a developer in conjunction with their financier and with the support of quantity surveyors, real estate experts, and building contractors.

In our view, and as evidenced by the current housing supply crisis, councils, in their modelling, have repeatedly failed to estimate project feasibility accurately, underestimating the costs faced by developers and the impacts of development delays.

As Atlas Economics has cautioned in an earlier report to Inner West Council, development feasibility is not a given, and:

> ***"A high % contribution requirement is moot if development does not occur."***

In other words, ill-considered in-perpetuity affordable housing levies and developer contribution fees will only worsen the housing crisis.

**Recommendation 1: That Inner West Council undertake feasibility assessments in consultation with developers to understand the true costs of proposed policies.**

### Incentives are more effective than in perpetuity

The draft policy proposes that all affordable dwellings are delivered "in perpetuity", which is the very factor that undermines feasibility of housing supply the most. This, in particular, is strongly opposed.

Urban Taskforce Australia opposes the introduction of inclusionary zoning policies, which have been shown in both overseas studies and here in Sydney to increase the cost of housing. Inclusionary zoning – a percentage of dwellings gifted in-perpetuity to the Council – is often favoured by planners but rarely considers the impact on feasibility.

The economic and practical consequence is not considered.

In perpetuity policies result in an immediate loss for a developer, making it harder to get projects to stack up, compared to incentive schemes that help proponents to manage and mitigate their risks.

Conversely, the Infill Affordable Housing Bonus Scheme, which requires affordable dwellings for 15 years, gives the developer flexibility to retain value and recoup capital growth, offsetting other expenses and underwriting feasibility.

Evidence to date has shown that the model implemented through the infill affordable housing bonus scheme under the Housing SEPP supports housing supply and has generated a significant contribution to affordable housing.

SSD applications, which include the infill affordable housing scheme bonus, have approved 11,638 dwellings up to 30 April, of which 3,376 are approved affordable dwellings.

Those applications in the assessment pipeline include 31,744 new dwellings, of which 4,132 are expected to be affordable housing dwellings.

Incentive-based schemes demonstrably work and deliver more housing – both market and affordable.

If affordable housing is to be provided, Urban Taskforce maintains that planning incentives are needed make it attractive and feasible for a developer, allowing them to keep their costs lower and to offer their other dwellings at a more realistic market price.

A mandatory quota with no incentives will deliver no flexibility and will therefore discourage companies to pursue projects. And putting it on top of any bonus scheme contribution makes it even less appealing.

That means less housing of any type, affordable or not.

If affordable housing is to be provided in perpetuity in addition to any other scheme, it will increase costs in a way that cannot be mitigated and potentially cause projects to become unfeasible.

**Recommendation 2: That Inner West Council consider adopting an incentives-based policy position on affordable housing, similar to the highly successful infill affordable housing bonus scheme.**

**Principles for affordable housing policies**

Urban Taskforce believes that any affordable housing initiative should be subject to certain principles that are applied only where the council has a growth agenda:

**Table A**

- contribution rates should be clear and easy to calculate up front, and not be subject to change over time;
- rates should be low and broad, applying to whole growth areas or across an LGA;
- consent authorities should be able to reduce or abolish contributions on a case-by-case basis when feasibility is threatened;
- contributions beyond the base rate should be incentive driven and explicit under the policy, not used an opportunity to leverage additional outcomes;
- the cost of providing public benefits or other submarket housing should be accounted for in calculating the contribution;
- contributions made under other arrangements – infill affordable housing, TODs – should be offset against the proposed rate;
- payment of contributions should be made at OC, not earlier in the development process;
- contributions should be flexible, so that payment can be monetary, by dedication, or retained in private ownership, depending on what works best for the project; and
- developers who contribute more than they are required to under any affordable housing scheme should be eligible for a refund for the difference.

**Recommendation 3: That the principles detailed above in Table A be adopted as part of Inner West Council's affordable housing policy.**

**Double dipping**

Council's proposed policy will apply affordable housing levies in addition to other fees taxes and charges:

> *Affordable Housing contribution rates are required in addition to other statutory fees and charges, including local infrastructure contributions (section 7.11 or section 7.12 of the EP&A Act), state and regional infrastructure contributions and water and sewerage infrastructure charges.* (page 20)

This further increases the cost of development significantly, which either has to be absorbed by the developer or passed onto a new homebuyer.

If the latter, this will add considerably to the cost of a new home. If the former, it could jeopardise a developer's ability to get financing for future projects, as the return is not deemed by banks as sufficient for the inherent risk of the development.

The policy, as outlined by Council, effectively represents a value capture tax – a 10% share of any uplift or a 7.5% of the total development where an application seeks to turn a non-residential property into housing.

It is penalising housing delivery and creating barriers to the construction of new supply, placing projects at risk.

For example, the policy gives a case study of a development in Petersham that seeks an uplift of 1,400sqm, taking FSR from 3:1 to 4:1, resulting in the following affordable housing charges:

- a base rate (2% of GFA) of 70sqm or $910,000; plus
- a levy on uplift (10% of additional GFA) or 140sqm or $1,820,000.

This would result in a total monetary contribution of $2,730,000.

This additional $1,820,000 charge would slash the developer's margin to $360,500 from a gross margin before the additional contribution of $2,180,500, or just 2%.

If the sale price per sqm for Petersham is around $16,000 per sqm, the affordable housing levy for uplift would work out to require a sale price of $17,585 per sqm to recover the costs. This is beyond what the market would pay.

So, as industry feasibility requires a return of between 18 and 20% and there is little likelihood that costs will be able to be passed on, these additional charges would kill off the project.

Affordable housing needs to be affordable for a developer too. High rates that undermine feasibility could cause dwellings not to be constructed.

If affordable housing is being delivered through other means, or if developers are already paying significant contributions to State or local government, there should be an ability to offset some of the costs, so that the impact of affordable housing contributions can be managed effectively.

This does not appear to be an option in the proposed policy.

**Recommendation 4: That Inner West Council consider the cost of affordable housing in relation to other State and local taxes, fees, and charges, to understand the effects of applying a high rate for uplift.**

**In-kind versus monetary contributions**

Although Council has indicated that it would prefer contributions to be in the form of monetary contributions, it has left the door open to the dedication of completed dwellings or land.

While we dispute the quantum and lack of meaningful incentives, Urban Taskforce welcomes such flexibility, which allows developers to meet their responsibilities in the most cost-effective way possible.

Often a developer will choose to make a financial contribution to council rather than dedicate units, as it is a more cost-effective way of contributing. For example, dedication of dwellings in build-to-rent developments would create significant issues for the proponent.

However, there will be circumstances where providing dwellings is a more attractive option, and this should be the choice of the developer, not the consent authority.

Further, developers who pay more upfront than is ultimately required under the policy should be entitled to a refund on the difference. Precluding such a return is unreasonable given the unpredictability of early assessments, and the expectation that any shortfalls are covered.

**Recommendation 5: That Inner West Council allow developers are able to decide the best and most cost-effective way to make their affordable housing contributions.**

**Payment at CC v OC**

As with other affordable housing initiatives, Council's policy specifies that any monetary payment must be made prior to the issue of the construction certificate.

This puts a developer in the position of having to find additional financial resources to pay a levy upfront, often years before pre-sales start and long before the development is complete.

Financing costs can be significant and have the potential to ruin a project's feasibility.

Because contributions are charged at the CC stage, they impact dwelling commencements, particularly in areas requiring high rates of affordability. The NSW Productivity Commission recommended that fees and charges should be levied at OC, when cashflow is secured, not at CC.

Council should change its position on the timing of payments, to allow them at the occupation certification stage, when the developer has received downpayments from their purchasers and have funds that they can access.

This would ensure that more projects can reach feasibility, delivering the affordable housing sought by the Council.

**Recommendation 6: That Inner West Council move payment of affordable housing levies to the OC stage, rather prior to the issue of a CC.**

**Key workers – picking "winners"**

Council's policy continues with its focus on key workers, expanding the concept to include "artists and cultural creators".

There is no reason why this new category is particularly worthy of inclusion, and it highlights problems with the whole "key worker" concept being used.

Urban Taskforce believes that eligibility for affordable housing should be based on need, not on job description.

By deciding who should be included in the concept of "key worker" Council is effectively picking winners and establishing a category of renters that might work today but could soon miss the mark when it comes to eligible occupations.

Why should these "key workers" get a subsidy on their housing from other home buyers? Why not all shift workers? Why artist, but not cleaners? Why not aged care workers?

The most sensible way to define eligibility for affordable housing is through a household income cap, independent of job role.

Both the NSW and Commonwealth Governments have eligibility criteria for affordable housing, specifying a rental rate based on income, rather than employment category.

Council would be better served trying to reduce the cost of construction for new homes overall and to place downward pressure on prices, rather than trying to pick and choose which tenants are worthy of consideration.

**Recommendation 7: That Inner West Council refocus affordable housing policy on those who qualify based on income cap, rather than arbitrary definitions of who might be a "key worker".**

**Council-specified CHPs and Capacity to deliver**

The policy requires that any dedicated land or dwellings be handed over to Council's nominated community housing provider (CHP).

Such an approach is no longer necessary, given law changes in September, 2025, which introduced the category of "affordable housing managers".

Management of these properties should be open to market forces, so that the most efficient, experienced, and cost-effective operator can be selected to ensure that dwellings are rented to those in need in accordance with existing eligibility requirements.

Developers often partner with a preferred CHP, or have their own in-house affordable housing managers, to ensure that their properties are being appropriately cared for, and this should be allowed to continue.

Otherwise, it could result in multiple dwellings within the same building being managed by different entities, leading to confusion and inefficiencies.

So long as a property is being appropriately and transparently managed – such as being listed on the Register of Affordable Housing Dwellings and under the watch of the Registrar of Community Housing – the operator doing so should not be dictated by the Council.

**Recommendation 8: That Inner West Council allow market-based "affordable housing managers" to manage dedicated land or dwellings, in line with legislative changes made back in September, 2025.**

**Conclusion**

Urban Taskforce Australia recognises the Council's desire to increase available affordable and social housing to match local needs.

However, it is our members' view that the current draft plan is likely to discourage housing development, given its likely impact on project feasibility.

We believe that incentives are the most effective way to deliver tangible change and to create the desired affordable housing supply.

Industry has embraced initiatives such as the NSW Government's Infill Affordable Housing bonus policy and is looking for more opportunities to deliver good quality housing that meets the needs of the public.

Council's approach, conversely, repeats the mistakes of the past by seeking to embed inclusionary zoning, insisting that properties be handed over in-perpetuity, and killing the feasibility of housing projects.

Should you wish to discuss any aspect of this submission further, please contact our Head of Policy, [redacted] or via email at [redacted]

Yours sincerely

**Tom Forrest**
Chief Executive Officer

Friday 12 June 2026

Strategic Planning
Inner West Council
PO Box 14
PETERSHAM NSW 2049

Dear Inner West Strategic Planning Team,

**Subject: Inner West Draft Affordable Housing Policy**

Shelter NSW appreciates the opportunity to make a submission on the Inner West Council's draft affordable housing policy ('The AH Policy'). Recently, Shelter NSW and its members have engaged closely with Inner West Council ('Council') on the 'Our Fairer Future' Local Environment Plan (LEP) revision and have provided commentary and suggestions on the exhibited changes, both in roundtables and at council meetings. We look forward to continuing to work with Council to deliver better housing outcomes in the area.

**Who are we?**

Shelter NSW has been operating since 1975 as the state's peak housing policy and advocacy body. Our vision is to create a sustainable housing system that provides a secure home for all. We are especially concerned for low-income households who struggle to afford good quality and well-located housing. We provide systemic advocacy and advice on policy and legislation for the whole NSW housing system to resolve housing inequality. We are a member-based organisation; representing organisations and individuals committed to housing justice, including community housing providers, specialist homelessness services and related peak bodies, to community groups, policy professionals, academics and social housing tenants.

## 1. Context: Proposed amendments to the Inner West's 2022 Affordable Housing Policy

In September 2025, Inner West Council passed resolutions to review their existing affordable housing policy to support the introduction of the 'Our Fairer Future Plan' LEP. Specifically, Council sought to emulate the then proposed policy of the City of Sydney, requiring a 20% affordable housing contribution rate on additional floorspace, as well as review the affordable housing policy in line with feedback received through community consultation undertaken for the LEP.

Shelter NSW commends Council's efforts to improve affordability across the LGA. Importantly, the proposed draft AH Policy would create changes to contribution rates, method and calculation (including indexation), target tenant groups, and the governance and administration of affordable housing. This submission comments on these issues, with more detailed feedback provided on (a) the contribution rate and feasibility studies and (b) governance and administration of affordable housing.

## 2. Affordable housing contributions and management

From Shelter NSW's perspective, while the exhibited policy could be implemented as such, and we strongly support its intent to deliver high quality affordable housing in perpetuity, the current proposed baseline contribution rates and management framework might limit the quantity of affordable housing that can be delivered from developer contributions, as well as the ability of Council and not for profit partners to deliver housing solutions tailored to community need.

### 2.1 Reduction of baseline affordable housing contribution rate

Since the initial resolution in September 2025, where Council sought to replicate the City of Sydney's 20% contribution rate on additional floorspace, the proposed contribution rate has been halved to 10%. The justification for this change is a feasibility study commissioned by Council and undertaken by consultancy firm Atlas Economics.[1] The report prepared for Council examines the affordable housing policy comprehensively, assessing the Inner West's existing approach against that of City of Sydney and other considerations relevant to the delivery and management of affordable housing.

In assessing the feasibility of a '20%' contribution rate on upzoning – broken into 3% of total GFA and 17% of additional residential floorspace – the feasibility report examines the residual land value of three theoretical sites in Dulwich Hill/Marrickville. Two of these scenarios suppose that the land was previously rezoned (during phase 1 of the 'Our Fairer Future Plan') with the third assuming no existing contribution rate.

The report stipulates that in the scenarios where land has been rezoned and is subject to a broad-based contribution rate, the imposition of a 17% contribution rate on additional GFA leaves the developer better off only at a lesser density (FSR 4.5:1) with all additional value created at a higher density (FSR 5.5:1) captured by the contribution rate, and thus discouraging a greater level of development. When a contribution rate of 10% of additional GFA is tested, a proportion of the cost to the developer is reduced (7%), thus increasing the residual land value. As such, the theoretical

[1] Inner West Council, "Item 1, Attachment 2," *Agenda of the Extraordinary Council Meeting*, 28 April 2026, accessed June 9, 2026, Inner West Council agenda PDF.

developer can pay more to acquire the land and retain the difference, theoretically incentivising greater density.

In the third scenario, the report compares the residual land value on a site in a similar location that has not been upzoned nor is subject to an existing broad-based contribution. In comparing residual land values, it notes that a 10% contribution leaves $9.8m as residual land value while a 17% contribution leaves 7.4m. It is noted that the greater residual land value will grant the developer more flexibility in how much it can 'afford' to acquire land for (re)development.

Feasibility studies are useful tools to help developers, planners and government understand what may be possible on a specific site or within a specific LGA. However, they are not prescriptive. The assumptions made in feasibility studies are conservative; that is, they assume that where development is to occur, it will be at the highest cost to the developer. For example, in the first two scenarios it is assumed that the developer will pay $4m per 400sqm lot. While it is difficult to find exact data on land values per sqm, Domain notes the median price for a 5-bedroom house in Marrickville is $3.305m.[2] Consequently, it would be fair to assume that the required $4m per lot assumption is a conservative value used to reflect the most difficult of development conditions. Whereas should the price of the land be less than what is conservatively assumed, more room in the 'development stack' becomes available for greater contributions.

It should also be noted that the 20% profit margin is a similarly conservative figure. Different developers will make different decisions as to whether to proceed based upon a variety of factors including their balance sheet, development pipeline and access to finance. What may work for one developer, may not for another and vice versa.

The final scenario notes that the difference in affordable housing contribution rates leads to a difference in what a developer can afford to acquire a site. Shelter NSW contends that dampening rapidly rising land values in the area is part of the positive outcomes of implementing broad value sharing/capture mechanisms. Affordable housing contribution schemes, as an additional development cost, counteract incentives to speculate on land values as sites are rezoned or upzoned. With clarity and certainty, markets are then able to adjust land prices accordingly. This is particularly true for parts of the LGA that have not recently been rezoned, as upon rezoning, their value (albeit speculative) will change to reflect the additional development rights as well as the additional costs.

[2] Domain, "Marrickville NSW 2204, Suburb Profile & Property Market Trends," *Domain*, accessed June 10, 2026, https://www.domain.com.au/suburb-profile/marrickville-nsw-2204.

For land already rezoned, this adjustment may take some time, and interim measures may be appropriate.

It is important to understand that the assumptions made in these feasibility studies are generalised and do not take into account the circumstances of specific developers, particularly their financing stack. Nor are changes in property markets and interest rates taken adequately into account. From our perspective, the feasibility analysis overly generalises insights from certain parts of the LGA without adequately factoring in areas where land values are significantly higher (Balmain, Stanmore, Annandale), and where greater costs are more than offset by significantly higher potential sales revenue.

Consequently, Shelter NSW believes it is most appropriate that the affordable housing contribution rate on uplift be used as a guide to inform future contributions via Voluntary Planning Agreement (VPA). In circumstances where proponents cannot meet the rate, negotiations can be undertaken with Council so that the highest feasible rate is applied. Declaring a higher 'baseline' rate in the affordable housing policy grants Council much greater freedom in this regard. We also note that this how the rate in the City of Sydney – as well as previously in the Inner West – is utilised.

Thus, Shelter NSW recommends that the initially proposed rate of 20% – consisting of 17% of additional GFA + 3% of total GFA – be introduced, with Council retaining the ability to negotiate on a case-by-case basis with proponents where feasibility constraints prevent development.

While Shelter NSW supports Council to have flexibility in how they negotiate and apply affordable housing contributions, we are also concerned about the broad discretion to waive contributions in the AH Policy where 'another material benefit' is offered by the developer or landowner through a VPA. To minimise the risk of sub-optimal VPAs being agreed to, and increase community support and understanding of development in the LGA, Shelter NSW would recommend that Council commit in the AH Policy to (a) have clear, explicit criteria as to when contributions might be waived for other material benefits, (b) provide transparent, public justification and (c) commission and publish independent assessments of the value waived versus the value provided through another material benefit.

### 2.2 Governance and administration of affordable housing

**Preferred CHP allocation**

Shelter NSW has reservations about the proposed allocation of all affordable housing contributions to one preferred provider, which we feel might reduce the effectiveness of the AH program. Consultant reports highlight the comparative advantages of Community Housing Providers (CHPs) in the delivery and management of affordable housing. Specifically, the report uses modelling from 2022 suggesting that CHPs can deliver up to 27% more affordable housing when they are transferred ownership of housing stock. The report also notes the concessional tax status of CHPs and their ability to access greater rental yields through Commonwealth Rent Assistance (CRA). This is particularly true of the Tier 1 CHPs who, by virtue of the size of their organisations, are more readily able to develop sites, access financing and harness economies of scale.

However, while Tier 1 CHPs may be best placed to develop and manage affordable housing on a large scale, this policy should look to produce a diverse range of products to accommodate the diverse needs of residents. The Tier system of CHPs, as determined by National Regulatory System Community Housing, reflects the risk of profile of CHPs, not their ability to deliver and manage social and affordable housing effectively.

While larger Tier 1 CHPs can leverage their existing assets to build additional social and affordable housing, smaller CHPs often leverage existing connections to communities and geographies to provide tailored and specific housing products. For example, the majority of Aboriginal CHPs are Tier 2/3. The peak body for housing co-operatives, Common Equity, is also a Tier 2 CHP. To appoint one Tier 1 CHP at the exclusion of all others will reduce diversity of rental providers in the LGA, potentially at the expense of current and future tenants. For example, it would be counter-intuitive to add artists to the council's target tenants list but to exclude the peak body for housing co-operatives that oversees the operation of numerous artist co-ops across the state.

Concentrating all affordable housing contributions with one Tier 1 CHP might limit the ability for the housing sector to provide tailored responses to the specific and changing needs of the community and exclude existing knowledge and expertise from the delivery and management of affordable housing in the area.

Shelter NSW recommends that Council develops a flexible, 'preferred provider framework' including a range of existing CHPs across all tiers. Cash contributions should be allocated to providers according to development and management capacity as well as local need and aspirations. The City of Sydney's Affordable Housing Contribution Distribution Plan is one example of this kind of framework. In-kind contributions should be dedicated to council, who can then choose a CHP to manage the site according to need.

A portion of the monetary contributions should be held in a fund for later distribution. This fund can then be used to finance (partially or completely) diverse housing responses, allowing CHPs that are not part of the preferred provider framework to access funding to deliver bespoke solutions.

**Council-owned stock**

From Shelter NSW's perspective, existing land and housing stock should not be transferred without a competitive tendering process. Council has nominated its preference for a Tier 1 CHP to initially control the delivery of its affordable housing program. By definition, a Tier 1 CHP does not need to add the 25 existing council-owned dwellings to its balance sheet to more readily access finance. Much rather, should Council determine that it is no longer in the position to own this stock, it should conduct a tender process, with the successful applicant(s) to be awarded these properties with consideration of the quantity and quality of affordable housing to be delivered on site.

Shelter NSW recommends that Council also retain the right of first refusal for properties dedicated in-kind, to give Council the ability to better respond to emerging needs and the option to expand its portfolio in the future should it wish to do so.

## 3. Miscellaneous

### 3.1 Flexible use of contributions

Shelter NSW commends Council for the flexibility it has built in the draft AH Policy regarding collection of affordable housing contributions. Council retaining the right to receive in-kind contributions allows for the immediate delivery of affordable housing on larger projects and in higher-value land areas within the LGA. While in-kind contributions may not always be the most appropriate, the clear approach stated for dwelling and land dedications provides clarity for proponents and Council and will work to ensure that the best outcome is achieved on each site.

Similarly, allowing contributions to be used in adjoining LGAs, to facilitate the efficient delivery of affordable housing, is also strongly welcomed.

The division of the LGA into sub-markets – linked to different cash contribution amounts - is an appropriate move that reflects the differing costs of the development and delivery of affordable housing across the LGA. We acknowledge the significant work undertaken by Council to ensure that contributions accurately reflect these costs.

### 3.2 Advocacy

Shelter NSW is broadly supportive of the advocacy actions in the draft policy. Specifically, Shelter NSW supports the minimum target for 30% of new dwellings on government land to be 'subsidised housing' [sic]. We note that the proposed Bays West urban renewal project does not currently meet these targets. Shelter NSW would like to formally extend its support to Inner West Council to achieve a minimum of 30% 'subsidised housing' on this site. We are willing to meet and make representations to NSW Government in partnership with Council to further this goal.

Similarly, we support the redirection of cash contributions collected to compensate for the loss of low-rental housing from state to local government. We also encourage Council to advocate for the protection of affordable housing stock in its LGA that does not meet the statutory definition but by virtue of its management and/or price point is otherwise affordable. This is of particular importance as supply-side measures dominate the policy response to the current housing crisis, encouraging the redevelopment of affordable, lower-density housing stock with newer (and therefore more expensive) higher-density stock notionally offset by a couple of discount-to-market affordable housing dwellings.

**Thank you for your consideration**

Shelter NSW thanks the Inner West Council for its consideration. Should Council wish to discuss this submission further, please contact [redacted] or [redacted] or use our general address, admin@shelternsw.org.au.

Sincerely,

John Engeler
Chief Executive Officer
Shelter NSW

Ref: D26/1617938
5 June 2026

Attention: Nigel Riley
Senior Strategic Planner
Inner West Council
PO Box 14
Petersham NSW 2049
Via email: planning@innerwest.nsw.gov.au

---

Re: Draft Inner West Affordable Housing Policy

Dear Nigel,

Homes NSW appreciates the opportunity to review and provide feedback on the Inner West Council's draft Affordable Housing Policy.

We note that Council has prepared the Policy to protect and increase the supply of Affordable Housing in the Inner West local government area.

Homes NSW has reviewed the Policy and supports its intent. However, we offer the following comments for your consideration:

1. Exemptions from Affordable Housing contributions

   The Policy states that the Affordable Housing contributions requirements do not apply to social and affordable housing "*excluding those delivered under initiatives of the Housing SEPP*". This suggests that social housing developments undertaken by Homes NSW would not be exempt from Affordable Housing contributions.

   To avoid ambiguity, we recommend that the Affordable Housing contributions exemption be nominated as follows:

   - Social and affordable housing development by or on behalf of Homes NSW or Community Housing Providers (CHPs); and
   - Other affordable housing including boarding houses (as defined by the Housing SEPP) but excluding any affordable housing that is provided under Housing SEPP bonus provisions.

   The amended wording would achieve the intent of the provision which we understand is to exclude from the exemptions any non-government affordable housing developments that rely on the Housing SEPP bonus provisions.

2. Council's Affordable Housing Priorities – Advocacy

   Council advocates for at least 30% of new dwellings on government-owned land to be designated as affordable and/ or social housing in perpetuity and managed by a Community Housing Provider.

   Homes NSW recommends that the wording be amended to include management of affordable and/or social housing by Government, thereby acknowledging the role of the Department of Communities and Justice in managing social and affordable housing, in addition to community housing providers (CHPs).

3. Locational Contribution Rates

Homes NSW recommends that locational contribution rates be removed from the main body of the Policy and instead, included in an appendix of the Policy or on Council's website, to allow greater flexibility for future updates.

4. Council-led or Council-CHP partnership projects

For Council-led or Council-CHP partnership projects, the Affordable Housing Delivery (AHD) team of Homes NSW can reduce the financial and administrative burden on Council through Homes NSW's commissioning framework, which supports end-to-end delivery. This can include:

a. Ongoing collaboration with Council on feasibility, design, costs, yield, target cohorts and delivery strategy.

b. Holding and administering collected contributions on behalf of Council, where appropriate, to support efficient deployment and program delivery.

c. Supporting procurement and engagement of a CHP through a Delivery Agreement, including tender management and governance arrangements.

d. Establishing a Community Housing Assistance Agreement (CHAA) with the CHP to define funding, roles, project requirements, risk management and reporting (under the Community Housing Providers (Adoption of National Law) Act 2012).

e. Registering statutory interests on title to ensure affordable housing is retained in perpetuity where public funding or land is contributed.

f. Monitoring CHP performance and compliance through the Registrar of Community Housing and reporting outcomes back to Council.

Homes NSW looks forward to continuing to work with Council to ensure that the proposed Policy is effective in achieving Homes NSW and Council's mutual goals of maximising the opportunities for social and affordable housing provision.

Should you have any questions please contact Susanna Cheng, A/Manager, Strategic Portfolio Planning at [redacted]

Sincerely,

Susanna Cheng 05.06.2026
A/Manager, Strategic Portfolio Planning

Labor Ending Homelessness Action Committee

# Labor for Ending Homelessness *Draft Affordable Housing Policy* Feedback

## Preface

Labor for Ending Homelessness (LfEH) is a coalition of Labor members who want to end homelessness in NSW. The group was established as a Labor Action Committee in 2019 under the rules of the NSW Branch of the Labor Party. We currently have over 350 members and supporters in NSW, including 40 members in the Inner West Council area who have contributed to this submission. We believe the homelessness crisis and the housing affordability crisis are two sides of the same coin, and as such any homelessness policy must first address making housing affordable again. We thank Inner West Council for their consideration of our feedback on the *Draft Affordable Housing Policy*.

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## 1. Housing affordability requires more than just “affordable housing”

As outlined in LfEH’s original submission to the *Our Fairer Futures Plan*, housing affordability cannot be addressed by provision of affordable housing alone. To meaningfully address the housing crisis, we need a multi-pronged housing strategy that has an increase of well-managed public housing at its core. LfEH strongly encourages the Council to continue pursuing this larger strategy in addition to the provision of affordable housing. Alongside public housing, LfEH reemphasises the need for larger affordable housing contributions by developers; the current 2% of gross floor space will not make a meaningful dent in affordability in the Inner West.

## 2. Governance must ensure speed of delivery and accountability

At the time of submission the *Governance and Distribution Framework* for the delivery of affordable housing has not yet been developed. This makes it hard to offer feedback because so much of the actual implementation relies on that document. LfEH recommends prioritising a draft Framework for public feedback. Such a Framework should emphasise speed of delivery and accountability. To do so, there need to be timeframes that establish how quickly affordable housing is built with cash contributions from developers.

The Framework needs to set out targets around the volume and rate of affordable housing delivery, and methods for evaluating whether the targets are being delivered on. If delivery is falling short, there need to be provisions for re-evaluating the affordable housing strategy. This process should be owned by Council, and be accountable to community and CHP feedback.

## 3. Maintain the promised 20% affordable housing contribution for additional floorspace.

In the September 2025 Extraordinary Meeting, Council announced a 20% affordable housing contribution for additional floorspace. The current *Draft Affordable Housing Policy* reduces this to 10%. Shifting goal posts are an ongoing issue in Inner West planning, and the shifts have consistently been in favour of developers. In order to have a meaningful impact on affordability and to maintain community trust, LfEH strongly recommends holding to the original commitment.

## 4. Allocate 50% of affordable housing to low and very low income households

Affordable housing should primarily be a means of keeping socioeconomically disadvantaged households in the Inner West. If such households are not able to afford the narrow definition of affordable housing (based on a maximum percentage of average rent), then the Council should set affordable housing rents that are no higher than 30% of the households’ income.

Sydney YIMBY appreciates the opportunity to comment on Inner West Council's draft Affordable Housing Policy.

Sydney YIMBY is a grassroots housing advocacy group, with hundreds of members across Sydney and a plurality of them in the Inner West.

With regards to the report, we make the following recommendations:

1. It should be a social housing strategy, not an affordable housing strategy.
2. The percentage value capture is about right, given market conditions.
3. A preference for cash over in-kind delivery makes complete sense.

# Social housing, not affordable housing

As outlined in the recent Inflection Points piece, Against 'Affordable' Housing, affordable housing as currently implemented is poorly targeted. By refusing to be opinionated, Council's criteria continues that trend.

The draft says:

*"Council is committed to protecting and increasing the supply of housing stock that can be affordably rented by Very Low, Low and Moderate income households including target groups identified as having particular housing needs in the Inner West. Council will seek to assist all groups identified below, where practicable, rather than giving preference to one or more groups over others.*

- *Key workers* and employees working shifts.[...]*
- *People with special housing or access needs, including [...] those at risk of homelessness"*

Elsewhere in the document key workers are defined to include doctors, childcare staff, police, rail workers, etc.

Income thresholds are defined in this table:

*Table 2: Income Eligibility Limits, Greater Sydney (2025-26)*

| Household Types* | Very Low (<50% Median Income) | Low (50%-<80% Median Income | Moderate (80%-120% Median Income) |
|---|---|---|---|
| Single Adult | $36,000 | $57,600 | $86,400 |
| Single Adult +1 | $46,800 | $74,900 | $112,300 |
| Single adult +2 | $57,600 | $92,200 | $138,200 |
| Couple | $54,000 | $86,400 | $129,600 |
| Couple +1 | $64,800 | $103,700 | $155,500 |
| Couple +2 | $75,600 | $121,000 | $181,400 |

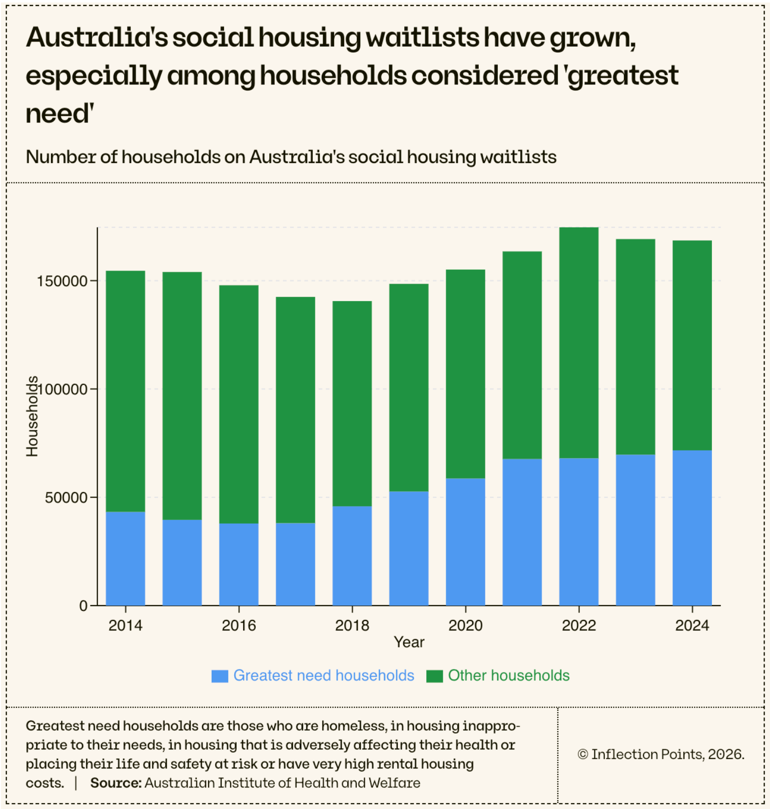
Source: NSW Government (refer to income eligibility limits for affordable housing)

*households denoted with "+1" and "+2" indicate households with dependents under 18 years

The logic here is that, given the option between housing a doctor with a partner and two children and a household income of $180K, and someone at risk of homelessness on Jobseeker, that council should have no preference between these two, they should have an equal chance in the lottery. This is absurd.

Whatever the rate of value capture, Council has finite resources it can allocate directly to subsidised housing. Given the option of helping a very low income household at risk of homelessness, and someone on 120% of the median income who might have to make a different tradeoff, we should prioritise the former.

Social housing waitlists have grown the most among those with greatest need. Subsidised housing should be laser targeted at chewing through that waitlist:




There are so many households on moderate incomes who live in, or would like to live in, the Inner West that there is no way a Council driven program could help them all, short of increasing rates by an order of magnitude. We should be aiming to make their lives better by building more market rate housing, with estimates from Auckland showing that a 1% increase in housing stock reduces rents by 3.5%.[1]

Councils should directly and preferentially target those on very low incomes and at risk of homelessness.

# The value capture rate is about right, given the heights concerned

Analysis from Atlas Economics around the time the Fairer Future Plan was implemented showed that even a 2% contribution rate means that small lot houses weren't feasible for development, where they were borderline otherwise:

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1 https://www.auckland.ac.nz/assets/business/our-research/docs/economic-policy-centre/Can%20Zoning%20Reform%20Reduce%20Housing%20Costs.%20Evidence%20from%20Rents%20in%20Auckland.pdf

FIGURE 1: **Comparison of Residual Land Value and Cost of Land at various affordable housing contribution rates**


Source: Atlas

[2]

At the time of the Fairer Future Plan, Sydney YIMBY advocated that we'd support more heights to get a higher level of affordable housing contribution. Numbers around that time showed that 10% would pencil at forty storeys. Regrettably that enthusiasm was not shared by anyone else in the debate.

Since September 2025, we have seen further construction cost escalations due to the ongoing war in the Middle East, with products like steel, cement, plywood walling and plastic pipes increasing by up to 36%.[3]

It would be very easy for council to set a higher affordable housing percentage that sounded good as an announcement while tanking new housing completions to zero. Indeed we suspect that combination would be a highly desirable outcome for degrowth advocates. But it would be disastrous for both affordable housing numbers and housing affordability in general. Twenty per-cent of zero is zero.

# Cash over in-kind provision

In-kind provision, by definition, delivers new units. This creates myriad problems:

- "Poor doors": Community Housing Providers (CHPs) generally prefer their units to be more basic, and to forego amenities like pools or luxurious lobbies in order to reduce strata overheads. That means they can pour more of their money into helping people: maintaining existing units, building or buying new ones. This in turn creates a bunch of negative publicity for the scheme.[4]

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[2] Inner West Council, Extraordinary Council Meeting Agenda 30 September 2025 https://innerwest.infocouncil.biz/Open/2025/09/C_30092025_AGN_4230_AT_EXTRA.htm

[3] https://theconversation.com/housing-construction-costs-are-already-rising-increasing-risks-of-builders-going-bust-279329

[4] https://www.theguardian.com/australia-news/2025/nov/06/poor-doors-affordable-housing-tenants-have-to-use-back-entrance-to-access-barangaroo-apartments

- Even with a 20% discount, rents for new units in high demand locations are quite expensive. Such a discount will generally only take a new unit down to the value of a ten year old unit.

By accepting cash, Council has the option to purchase older properties at a significant discount compared to new, with new properties often being up to 50% more. We could house 50% more people. In particular, Council should be looking at opportunities to purchase whole blocks of pre-strata units, which are generally modestly priced compared to other housing stock due to their age.

In-kind delivery of affordable housing, especially in perpetuity, requires complex legal structures. Council strategic planning staff have explained during meetings of the Housing for All Local Democracy Group that this means that only larger developers like Mirvac can make it work. The goal should be to have a construction market in the Inner West where larger and smaller developers can all compete with each other to deliver the best product.

# Advocacy

In addition to advocacy focus identified in the draft policy, Sydney YIMBY encourages Council to push the Federal Government on two key financial levers which drive the shift away from public housing and towards CHP managed housing:

1. Public housing tenants are ineligible for Commonwealth Rent Assistance.
2. Public housing does not get a GST exemption, while community housing does.

Addressing these would allow public housing to compete on an even footing with community housing when Councils and States are deciding where to allocate funding.

For more detail on these issues see p20 of the 'Brick Book'[5], a policy booklet produced by Sydney YIMBY along with our interstate counterparts ahead of the last federal election.

[5] https://abundanthousing.org.au/docs/2504-Brick_Book.pdf

SAVE MARRICKVILLE

www.savemarrickville.com.au
hello@savemarrickville.com.au
www.facebook.com/SaveMarrickvilleSouth/

Strategic Planning
Inner West Council

Date: Sunday 7 June, 2026

**Re: Submission from Save Marrickville regarding the Draft Affordable Housing Policy**

To Whom It May Concern,

We appreciate the opportunity to submit feedback on the Draft Affordable Housing Policy. Save Marrickville seeks to achieve good planning and a positive built environment in the interests of current and future residents.

We support the principle that Inner West Council should increase the supply of genuinely affordable housing. Affordable housing is an essential component of community infrastructure, supporting social inclusion, economic resilience, workforce diversity and long-term community wellbeing.

## Support for policy principles

We support the policy principles outlined by Council, particularly the emphasis on maintaining a socially diverse community and ensuring that affordable housing is delivered through transparent and equitable planning mechanisms. Furthermore, we agree that these homes should be secured in perpetuity wherever possible, located close to jobs, transport, and essential services, and managed by appropriate community housing providers or other suitable entities. We also endorse the principle that affordable housing should be seamlessly integrated into developments rather than segregated.

While these principles are undeniably sound, the draft policy as currently framed does not, in our view, provide sufficient mechanisms to ensure they will actually be achieved in practice.

## Key issues

Our primary issue with the draft policy does not provide a clear guarantee that meaningful additional affordable housing will be delivered. It is unclear how much affordable housing will be produced, how it will be distributed, and whether delivery will occur in-kind or through cash contributions.

We are also concerned that the policy relies too heavily on future development activity and market conditions. If development slows, affordable housing delivery will slow as well. That is not an adequate response to an urgent and ongoing housing crisis.

A further concern is the loss of existing affordable housing stock. The combined impact of the TOD, LMR and Fairer Future planning reforms is likely to result in the demolition or displacement of lower-cost housing, including boarding houses, older apartment buildings, shared houses and modest dwellings that have historically provided accessible accommodation for low and moderate income households. We are already seeing a loss of current, genuine affordable housing in Marrickville which is highly concerning. The policy must do more to protect this existing stock. Once it is gone it is gone forever.

We are also concerned that the proposed contribution settings are too low. Council's earlier policy framework sought a 15% affordable housing target, and Council's 2025 Fairer Future decision referred to 3% affordable housing in upzoned areas and 20% for proposals seeking additional floor space. In our view, the draft policy should strengthen, not weaken, the delivery of affordable housing.

## Definition and targeting

The definition of affordable housing requires greater clarity. If moderate income households are allowed to absorb most of the available supply, then very low and low income households will remain excluded.

The policy should prioritise those in greatest housing stress. Affordable housing should be targeted primarily to very low and low income households, with a smaller proportion available to moderate income households where appropriate. Without this safeguard, the policy risks producing housing that is technically "affordable" in name only, but inaccessible to those most in need.

## Delivery and governance

We are concerned that cash contributions may become the default mechanism, with housing then built elsewhere or delayed indefinitely. If Council is to accept cash contributions, it must be clear where the housing will be delivered, who will make that decision, and how the community will be informed and assured that delivery will occur.

For this reason, we consider it essential that the Governance and Distribution Framework be released alongside the Affordable Housing Policy, rather than after adoption. The community should be able to assess delivery timelines, accountability arrangements, and the decision-making process before the policy is finalised.

## Protecting existing supply

Council should adopt stronger measures to prevent the net loss of affordable housing. This should include:

- A social impact assessment for all rezoned areas

- An inventory of existing affordable housing supply
- Planning controls to protect existing lower-cost housing stock
- Clear mechanisms to offset the loss of boarding houses, older unit blocks and shared rental housing
- All development applications must evaluate the specific type and volume of housing lost through demolition, rather than relying solely on the merits of the proposed replacement housing

Council should also investigate the effect of vacant dwellings and short-term rental platforms on rental availability, and should consider stronger measures to encourage underused dwellings back into the long-term rental market.

## Recommendations

To ensure the policy delivers real and measurable outcomes, Save Marrickville recommends that Council:

**Protection and Targets**

- Prepare an inventory of existing affordable housing to ensure no net loss, and establish strict planning controls to protect current affordable housing stock
- Require a social impact assessment for all areas proposed for rezoning
- Set explicit affordable housing targets for the LGA, including targets by dwelling type and household need
- Allocate a minimum of 50% to 75% of affordable housing to very low- and low-income households
- Ensure that families are accommodated for in larger 2 and 3+ bedroom housing
- Mandate that rents charged must not exceed 30% of household income, ensuring the housing delivered is actually affordable and not merely discounted from market rates

**Contributions and Developer Controls**

- Increase affordable housing contributions for additional floor space to 20%, consistent with Council's September 2025 commitment to the Inner West community
- Ensure affordable housing is integrated into mixed communities, located close to transport, employment, and services, and provided with adequate parking, particularly for key workers who work shift patterns
- Advocate strongly for public housing on government land, while investigating the reuse of vacant housing and the regulation of short-term rentals to improve long-term rental supply

**Governance, Transparency and Providers**

- Release the Draft Governance and Distribution Framework before the policy is adopted, providing:
  - Clear timelines and delivery obligations for the actual housing (not just cash contributions).
  - Explicit dictation of where housing will be provided when contributions are made in cash rather than in-kind
  - Full clarification on which body remains accountable to the community (Council or the Community Housing Provider)

- Make contributions available to all types and sizes of community housing providers (including smaller providers, Tier 2/3, and cooperatives, not just Tier 1) to ensure a diverse range of local housing solutions

## Conclusion

Save Marrickville supports the goal of increasing genuinely affordable housing in the Inner West. However, the draft policy requires significant strengthening if it is to achieve that goal.

In particular, the policy must provide greater transparency, stronger protections for very low and low income households, higher contribution rates, clearer accountability, and more effective safeguards against the loss of existing affordable housing. T

## Nigel Riley

**From:** Sydney Cohousing <hello@sydneycohousing.au>
**Sent:** Sunday, 7 June 2026 11:29 PM
**To:** Inner West Planning
**Subject:** Submission: Draft Affordable Housing Plan

**Follow Up Flag:** Follow up
**Flag Status:** Completed

You don't often get email from hello@sydneycohousing.au. Learn why this is important

To whom it may concern,

Sydney Cohousing is an incorporated association representing Sydney locals who want to live more collaboratively, sustainably, and affordably in urban Sydney. We have members from all walks of life whose experiences range from that of young professionals being gradually priced out of the city, to those who have experienced or are currently experiencing homelessness, and suffering from extended social housing wait lists.

Many of our members live in the Inner West. We love this place – we love its welcomingness, its diversity and culture, its natural beauty and the beauty humans have added to that. We want the Inner West to keep being all of these things and more.

We care very much about the Inner West being a place even the most marginalised can call home, and not worry that they will be uprooted from it or stop being able to afford their rent. **Only when people feel secure in their home can they contribute fully to their neighbourhood.**

We support this draft as an improvement over the status quo. However, we want to suggest that it overlooks the opportunity to **promote alternative models** of affordable housing delivery.

Cohousing is about resident-led governance and designing for community. We believe this is best done when housing is delivered by **non-speculative**, **collaborative** and **cooperative organisations**. Council must investigate how it can support and deliver limited-equity housing cooperatives as a more effective alternative to the current insufficient "affordable housing" paradigm.

## Key facts about limited-equity housing co-operatives

This report, prepared after the City of Sydney's Alternative Ideas Housing Challenge, describes an affordable rental co-operative model and examines its feasibility in Redfern (in 2023):

How Feasible is a New Generation of Housing Cooperatives in Australia?

- In limited-equity co-operatives, residents pay for some equity (or a share) in the co-op, in the range of $300-$50,000. (For those who cannot afford this, there are usually concessions or loans available).
- The co-operative collectively owns the building, although it may lease land.
- Co-op members have a “right-to-reside” which means as long as they abide by the rules of the co-operative, and pay residency and maintenance charges, they can stay as long as they like. Residency charges (essentially rents) are set by the co-op members, usually based on unit size (per square metre), not income.

- Residents can choose to move into larger or smaller dwellings within the same building, when available, if their circumstances change. If they leave the co-op they are refunded their initial share.

Critically, limited-equity housing cooperatives remain affordable in the long term by removing the possibility of profiting from increasing land values.

New South Wales currently has some social housing co-operatives managed by Common Equity NSW. However, Council has recognised, by promoting "affordable" housing, that social housing alone cannot address the full spectrum of housing needs. This is why we urge Council to investigate the limited-equity model as well.

## Community-led approach

Sydney Cohousing has been gathering interest in a pilot co-operative project from local residents. We believe that a participatory process, where future residents work together to co-design housing, has demonstrated real benefits in overseas examples.

Co-operative housing is uniquely democratic, and depends on active participation by residents. Research from Western Sydney University has demonstrated many benefits to residents from Australia's existing CHP-run co-operatives:

The Value of Housing Co-Operatives in Australia (2024)

This research shows the benefits that can come from co-operative participation of residents:

> Across the four states in the project, we found that tenant-members gain benefits from living and participating in rental housing co-operatives. These benefits include:
>
> - skills development;
> - employment and educational outcomes, as a result of that skills development;
> - satisfaction with housing stability, quality, and security;
> - greater social capital;
> - sense of health and wellbeing, including that of children;
> - sense of agency, empowerment, and voice.

Co-operative housing has seen broad societal support overseas, from across the political spectrum. We believe it will too here, and overcome the social license issues that come with large-scale changes to the planning regime of an entire LGA.

## Recommendations for Council

Council cannot develop housing itself, but it can materially support new models that are known to work elsewhere.

1. **Educate council staff** on limited equity co-ops, so that they understand the opportunities this model provides, and the key differences with existing social housing co-ops.
2. **Develop a financial model** in participation with experts for a limited-equity housing cooperative in the Inner West. This should include collaboration with Community Housing Providers to enable a project with a true mix of income affordability.
3. **Identify land** which could be leased long-term (50 – 75 years) by a limited-equity co-operative.
4. **Establish a pilot project** in partnership with local community groups like ours.

Council should be pursuing these options in collaboration with nearby Councils and State and Federal government.

## Further recommendations regarding the Affordable Housing Policy

We wish to endorse the following changes to the Policy, which do not relate directly to Cohousing or housing cooperatives, but which our community agrees with:

- Replace the dedication of all Affordable Housing Contributions to nominated CHP's with a grant program open all Community Housing Providers, similar to City of Sydney's Affordable & Diverse Housing Fund.

- Increase the percentage (%) of affordable housing contributions for any additional proposed residential floor space beyond the baseline provision in the FFP to 20%, to action Council's commitment from the Extraordinary Council Meeting on 30th September 2025.

- Any transfer of existing Council owned housing & sale of Council land, should be based on a competitive tender process open to all not-for-profit Community Housing Providers, including Tiers 2 & 3, not just Tier 1.

- Include a requirement that a minimum of percentage (%) of housing delivered using affordable housing contributions to be allocated for low & very-low income households, to ensure our most vulnerable community members will be housed.

- Include a requirement that housing costs are to be set at no more than 30% of household income, to ensure that housing delivered using public funds is truly affordable.

- Specify a minimum floor area of 35sqm for any affordable housing to be paid as in-kind contributions, to avoid the dedication of smaller co-living units.

- Reporting of affordable housing contributions received & how it has been used should be made annually to ensure transparency for the community in the process.

Thank you,
The Sydney Cohousing Committee

https://sydneycohousing.au

Feedback to: Inner West Council for the Draft Affordable Housing Policy 2026
Date: 7 June 2026
[redacted]

I support IWC's ambition to increase affordable housing in the Inner west. We are losing our young people. We are losing workers. Our community needs essential workers, and indeed many workers other than those who WFH, forcing all to travel long distances to us to meet our community's needs.

I submit the areas of concern in the Draft Affordable Housing Policy relate to needs for greater transparency, stronger safeguards, and additional clarification.

1. Affordable housing.
The current 2% of gross floor space for affordable housing (to increase over time). How can such a low proportion make any noticeable difference to housing affordability in the Inner West.

A 20% affordable housing contribution for additional floorspace was promised at Council's September Extraordinary meeting. The draft policy now reduces this to 10%.
To attempt to address the housing shortage this should be returned to the initial promise of 20%.

In addition, it is not clearly stated to the less informed reader that the 10% contribution applies only to additional floorspace above existing controls.

2. Governance and accountability concerns.

The draft policy specifies potential distribution of Affordable Housing contributions by way of arrangements with Community Housing Providers (CHPs), supported by a Governance and Distribution Framework.

However, the Governance and Distribution Framework for the delivery of affordable housing has yet to be developed. Surely this Framework should be prioritised. What content will it cover - targets for delivering housing, timeframes for delivery, strategies for evaluation of delivery, for re-evaluating and modifying the strategy for affordable housing.

3. Public assets.
There are unanswered questions and limited clarity about redevelopment of existing public assets, including public car parks, Council-owned land, and other public assets.

Will there be replacement infrastructure and who will pay for it, eg, CHPs, ratepayers, Council.
What commercial arrangements will apply to redeveloped public assets.

Greater transparency is needed before major public assets are transferred or redeveloped.

4. Public Housing
The Inner West needs an increase of well-managed public housing.

## Nigel Riley

**From:** [redacted]
**Sent:** Saturday, 6 June 2026 11:16 PM
**To:** Inner West Planning
**Subject:** Inner West Council's draft Affordable Housing Policy

[redacted]

I consider the InnerWest Council's draft Affordable Housing Policy to be an unsatisfactory document which raises more questions than it purports to address.

"Affordable housing" is defined as households paying no more than 30% of their gross income in rents. This includes moderate households earning up to 120 % of median income. "Affordable income", by this definition, is poorly targeted as it will not address those on low incomes who are most in need.

An example of actual affordable housing for low income people is the two rental unit blocks at 50-52 Warren Road Marrickville which provides 17 low cost rental apartments with a total of 18 bedrooms and accommodation for 20 or more people. The Council plans to evict the residents, demolish the buildings and replace them with a 9 storey high rise of luxury apartments with some "affordable " housing.

More of this perverse action can be expected under the draft housing policy unless it is changed, for example, to direct that a minimum of 50% of housing delivered should be reserved for low and very low income households.

The policy is unclear on the number of actual affordable housing to be provided. The base contribution rate is only 2% of floor space, rising to 5% over 5 years. The 10% contribution only applies to bonus floorspace above existing planning controls. This is half of the 20% on bonus uplift Council said it was pursuing in September 2025.

It is unclear who will control the money collected from developers. Council will apparently pool the funds and transfer them to one nominated Tier 1 Community Housing Provider. Who that will be is not stated.

No detailed Governance and Distribution Framework has been developed.

This policy appears to be a "developers' picnic", aimed primarily at satisfying developers' requirements and the "affordable housing" title is a smokescreen. It needs to be amended to focus on potential residents, including those on low income most in need of housing.

[redacted]
Marrickville
6 June 2026

My name is [redacted] and I have lived in St Peters at [redacted] for forty years come this December.

Recommendations

1. There are **diverse housing needs** - older women, families with dependent children, disabled people, First Nations people – which must be identified and catered for in the Fairer Future Plan.

2. The Affordable Housing Contributions Fund should be open to **all three Tiers of CHPs on a grants** basis with incentives for providing diverse types of housing, particularly with disabled access and for families with children.

3. There must be a portion of affordable housing which is rented at no more than **30% of tenants' incomes** in perpetuity., ie, is real low-income housing.

4. Please restore the commitment of 30 September 2025 to a **20% affordable housing contribution** for any additional proposed floor space beyond the baseline provision in upzoned areas.

5. The Affordable Housing policy and program specify **a minimum floor area of 35sqm** for any affordable housing to be paid as in-kind contributions and provide a basic standard of requirements to serve our diverse needs.

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Introduction

As an elderly woman with osteoporosis I am personally aware of the mobility difficulties of housing, transport and access to community facilities. Yet the Inner West LGA is better served than most of wider metropolitan Sydney for access to health and transport services, but not affordable housing. So I am pleased to see that the Inner West Council (IWC) has developed a policy and proposals to improve the availability of affordable housing.

**Diverse needs for affordable housing of diverse kinds**

I am sadly aware of the difficulties older women, who have rented all their working lives, have finding affordable housing with their retirement and reduced income in prospect I am equally aware of the problems disabled people have finding any accommodation in which they live if they have significant mobility and/or sight disabilities, let alone affording the market rents, given most disabled people do not have fulltime or long term employment.

I am aware of the number of women with children who flee family violence to end up homeless and therefore need access to emergency housing as well as affordable housing for the future for themselves and their dependent children.

These are just three categories of people who need access to affordable housing in our LGA so they continue to have access to the services the Inner West enjoys. And I am not thinking of people choosing to move into the Inner West, but of people in changed circumstances who find themselves in need of housing at lower cost than they used to be able to afford.

Therefore I am very concerned about the policy's proposal to consolidate the Affordable Housing Contributions in one fund to put into the hands of large Community Housing

Providers (CHPs) in "Tier 1" instead of seeking a greater variety of providers. While there may well be economies of scale from using primarily large CHPs to develop larger scale housing projects, they take much more time to deliver and do not necessarily provide the variety of affordable housing to meet the diverse needs of the categories I have outlined above. Timing is of greater importance than the Fairer Future Plan envisages, given the acute housing crisis we are in now. Smaller building projects or refitting existing premises undertaken by the variety of Tier 2 or 3 CHPs can deliver housing for specific needs faster.

Further large developments which have significant numbers of poorer tenants can be stigmatised as public housing has been in the public eye. I would hope that the rules (guidelines) the Tier 1 CHPs must comply with will outlaw "poor doors" or hidden doors for the "affordable" tenants and limit access to building facilities to full paying tenants. That would not be in keeping with the equitable philosophy of a Labor LGA.

Summary

1. There are **diverse housing needs** - older women, families with dependent children, disabled people, First Nations people – which must be identified and catered for in the Fairer Future Plan.

2. The Affordable Housing Contributions Fund should be open to **all three Tiers of CHPs on a grants** basis with incentives for providing diverse types of housing, particularly with disabled access and for families with children.

**What do we mean "Affordable?**

Generally "affordable" has in practice meant rents at 70-80 % of market rent. This remains above median incomes and out of reach of people who are on any kind of government benefit, be it Centrelink Job Seeker payment, Youth allowance, an aged or disability support pension, or parenting payment support. The most recent Anglicare national survey found the following:

> The Snapshot surveyed nearly 49,000 rental listings across Australia and found that:
>
> - Just 1 rental (0%) nationwide was affordable for a person on JobSeeker
> - 0 rentals (0%) were affordable for a person on Youth Allowance
> - Just 0.2% of rentals were affordable for a single person on the Age Pension
> - A full-time minimum wage worker could afford just 0.5% of listings
> - Even a couple with two minimum wage incomes could afford only 14.8% of rentals [1]

The Fairer Future Plan must adopt a stronger element of supporting very low- and low-income renters as part of its "fairer" plan. There must be a portion of all provision of "affordable" housing which sets rents at no more than 30% of the renter's income. People on very low incomes who live in real, affordable housing will have access to the better

[1] https://www.anglicare.asn.au/2026/04/30/rental-crisis-hits-rock-bottom-in-as-affordability-hits-near-zero-for-lowest-incomes/

services in our LGA which support improving their lives. This will benefit the whole community and is surely something a Labor-led council should support.

Summary

3. There must be a portion of affordable housing which is rented at no more than **30% of tenants' incomes** in perpetuity., ie, is real low-income housing.

**Contributions from Developers to the Affordable Housing Contributions fund.**

I understand that the IW Council meeting on 30th September 2025 which passed the FFP Stage 1, also made a commitment to the community to include a 20% affordable housing contribution for any additional proposed floor space beyond the baseline provision in upzoned areas.

It seems this has been reduced to 10% in the exhibited Affordable Housing Policy. What is the worth of the commitment that Council made on 30 September? I understand that the City of Sydney policy on affordable housing has set contributions at 20%. Why has the Labor-led Inner West Council gone back on its commitment to 20% and put forward a worse policy than the independent-led Council of the City of Sydney?

Summary

4. Please restore the commitment of 30 September 2025 to a **20% affordable housing contribution** for any additional proposed floor space beyond the baseline provision in upzoned areas.

**What kind of affordable housing?**

There has been a number of "boarding house" developments in the St Peters neighbourhood recently which can only be described as "mean". Tiny apartments of that kind or small "studios" are not suitable for families with dependent children, nor for disabled people who use mobility aids (wheelchairs, scooters or even walking frames) and would be dire for couples for any length of time. Nor do I regard them as suitable for older women after a working life of renting which could force them to get rid of a lifetime's possessions just to put a roof over their heads. I expect a Labor-led council to insist that affordable housing be decent, not latter-day versions of nineteenth-century invalid institutions. There must be a minimum floor area of 35 square metres for any affordable rental housing unit offered as in-kind contributions, with a published standard of amenity requirements agreed to through public consultation. I understand that this is a requirement of the City of Sydney's Affordable Housing Program and I should expect no less from the Inner West Council's program. As I outlined at the beginning of my submission, we have a diverse community of people and needs in the Inner West. It is surely a reasonable expectation that a Labor-led council would ensure its policies and program for affordable housing should match best practice in the Sydney metropolitan area.

Inner West Council Affordable Housing Policy Public Exhibition Submission

Summary

The Affordable Housing policy and program specify **a minimum floor area of 35sqm** for any affordable housing to be paid as in-kind contributions and provide a basic standard of requirements to serve our diverse needs.

Thank you for the opportunity to make a submission,.

[redacted]

[redacted] St Peters

a. [redacted]
b.

6 June 2026

The General Manager
Inner West Council
PO Box 14
Petersham NSW 2049

**Re: Submission on the Affordable Housing Policy 2026**

Dear Mayor, Councillors and Council Staff,

I welcome the opportunity to provide feedback on Inner West Council's Affordable Housing Policy 2026.

The Inner West is experiencing an ongoing housing affordability crisis, with increasing numbers of low, very-low and moderate-income households facing housing stress, displacement and insecurity. Council has an important role to play in ensuring that affordable housing contributions are used in a manner that maximises housing outcomes, supports a diverse community housing sector, and delivers genuinely affordable homes for those most in need.

While I support Council's commitment to increasing the supply of affordable housing, I believe several amendments are required to strengthen the Policy and ensure that affordable housing contributions achieve the greatest possible benefit for the community.

I respectfully recommend that Council consider the following changes:

1. Replace the Dedication of All Affordable Housing Contributions to Nominated CHPs with a Competitive Grant Program

The Policy proposes that all affordable housing contributions be dedicated to Council's nominated Community Housing Providers (CHPs). While large-scale providers play an important role in delivering affordable housing, restricting access to contributions risks limiting innovation, competition and delivery opportunities.

Instead, Council should establish a grant program open to all registered not-for-profit Community Housing Providers, similar to the Affordable and Diverse Housing Fund operated by the City of Sydney. This would allow contributions to be allocated based on demonstrated project merit, housing outcomes, value for money and community benefit, rather than provider size alone.

A competitive funding model would encourage a broader range of housing solutions and enable Tier 2 and Tier 3 CHPs to deliver projects where they have particular expertise, local knowledge or established community partnerships.

2. Increase Affordable Housing Contributions to 20% for Additional Residential Floor Space

Council should increase the affordable housing contribution rate for any residential floor space proposed beyond the baseline provision identified in the Floor Space Ratio Framework Planning Proposal (FFP) to 20%.

This would implement Council's commitment made at the Extraordinary Council Meeting on 30 September 2025 and ensure that uplift in development capacity generates a proportionate public benefit for the community.

As land values increase through planning decisions, a greater share of this value should be captured to deliver affordable housing outcomes and address the growing housing affordability challenges across the Inner West.

3. Require Competitive Tendering for Council-Owned Housing and Land

Any transfer of existing Council-owned housing assets or sale of Council-owned land intended for affordable housing purposes should be undertaken through an open and transparent competitive tender process.

Eligibility should extend to all registered not-for-profit Community Housing Providers, including Tier 2 and Tier 3 organisations, rather than being restricted to Tier 1 providers.

A competitive process will ensure that Council achieves the best possible housing outcomes, promotes innovation, and allows specialist providers to demonstrate how they can deliver affordable housing effectively and efficiently.

4. Prioritise Low and Very-Low Income Households

A minimum of 50 per cent of all housing delivered using affordable housing contributions should be allocated to low and very-low income households.

These households face the greatest barriers to accessing secure and affordable housing and are often excluded from the private rental market. Prioritising housing for those in greatest need will ensure that public resources are directed towards achieving meaningful social outcomes and reducing housing stress within the community.

5. Ensure Housing is Genuinely Affordable

The Policy should include a clear requirement that housing costs for tenants are capped at no more than 30 per cent of household income.

Without this safeguard, housing delivered through affordable housing contributions may not remain genuinely affordable for intended residents. Establishing a clear affordability benchmark will provide certainty, consistency and accountability in the delivery of affordable housing outcomes.

6. Establish Minimum Standards for In-Kind Affordable Housing Contributions

The Policy should specify a minimum floor area of 35 square metres for any affordable housing provided as an in-kind contribution.

This requirement would prevent the dedication of very small co-living units that may not provide suitable long-term housing outcomes. Affordable housing should deliver safe, functional and dignified homes that support residents' wellbeing and quality of life.

7. Annual Public Reporting and Transparency

Council should publish an annual report detailing:

• Affordable housing contributions received;
• The form of contributions received (cash or in-kind);
• How contributions have been allocated and spent;
• Housing projects funded or delivered;
• The number of dwellings delivered;
• Tenant income categories served; and
• Progress towards Council's affordable housing targets.

8. Release the Governance and Distribution Framework Before Policy Adoption

The Policy indicates that affordable housing contributions may be transferred to Community Housing Providers through a future Governance and Distribution Framework. However, this framework has not yet been publicly released.

Residents are therefore being asked to support a collection and distribution model without access to the detailed governance, accountability and decision-making arrangements that will ultimately determine how contributions are allocated and managed.

I recommend that Council publicly exhibit and consult on the Governance and Distribution Framework before finalising the Affordable Housing Policy. This will ensure the community has a clear understanding of:

• How affordable housing contributions will be allocated;
• Who will make funding and delivery decisions;
• What accountability and reporting requirements will apply;
• How Community Housing Providers will be selected; and
• What mechanisms exist to ensure public value is maximised.

9. Ensure Affordable Housing Contributions Remain Within the Inner West

Affordable housing contributions are generated through development occurring within the Inner West and should directly benefit the local community.

The Policy should clearly state that affordable housing contributions, whether financial or in-kind, will be used to deliver housing within the Inner West local government area except in exceptional circumstances approved by Council and publicly justified.

This will provide confidence that contributions collected from local development are delivering outcomes for local residents.

10. Provide Greater Transparency Regarding Contribution Rates and Feasibility Assumptions

The Draft Policy proposes a 10% affordable housing contribution on additional residential floorspace created through planning uplift.

However, Council's Extraordinary Meeting of 30 September 2025 referenced a 20% affordable housing contribution for additional floorspace in upzoned areas, subject to further investigation.

Given Council's previous commitment, I request greater transparency regarding:

• The reasons for the reduction from 20% to 10%;
• The feasibility assumptions used to determine the proposed rate;
• The developer profit margins assumed within Council's modelling; and
• Whether a 20% contribution could be achieved while maintaining viable development outcomes.

As planning decisions create significant additional land value, the community is entitled to understand how Council has determined the level of public benefit being captured through affordable housing contributions.

11. Greater Transparency Regarding Income Eligibility and Allocation Outcomes

The Policy includes eligibility for households earning up to 120% of Greater Sydney median household income.

While moderate-income households may face housing affordability challenges, Council should provide greater clarity regarding expected tenant income bands and housing allocation outcomes.

This should include public reporting on the proportion of housing allocated to:

• Very low income households;
• Low income households; and
• Moderate income households.

This information will help ensure the Policy remains focused on addressing the needs of residents experiencing the greatest housing stress.

12. Recognise the Contribution of Specialist Community Housing Providers

In addition to allowing participation by Tier 2 and Tier 3 providers, Council should recognise the important role of specialist Community Housing Providers that deliver targeted housing outcomes.

These organisations often provide housing and support services for:

• Women escaping domestic and family violence;
• Aboriginal and Torres Strait Islander communities;
• People living with disability;
• Older residents;

• Young people at risk of homelessness; and
• Transitional housing tenants.

Restricting access to affordable housing contributions to a small number of providers may unintentionally limit opportunities to deliver these specialised housing outcomes.

13. Transparency Regarding Council-Owned Land and Public Assets

Where Council-owned land, housing assets or public car parks are proposed for affordable housing development, Council should provide greater transparency regarding:

• The process used to select delivery partners;
• Funding responsibilities for replacement infrastructure;
• Any commercial, leasing or ownership arrangements associated with the development;
• Whether replacement parking or community infrastructure will be provided; and
• The planning controls required to support project viability.

Given the long-term public value of Council-owned assets, decisions regarding their transfer or redevelopment should be subject to robust public scrutiny and open competitive processes.

Regular public reporting will improve transparency, strengthen community confidence and allow Council to demonstrate the effectiveness of the Policy over time.

The Affordable Housing Policy 2026 presents an important opportunity to strengthen affordable housing delivery across the Inner West. By adopting a competitive and transparent funding model, supporting participation by Community Housing Providers of all tiers, prioritising households in greatest need, and ensuring clear affordability and reporting standards, Council can maximise both the quantity and quality of affordable housing outcomes delivered for the community.

Thank you for considering this submission. I encourage Council to incorporate these recommendations into the final Policy to ensure that affordable housing contributions are used in the most equitable, effective and transparent manner possible.

Yours sincerely

[redacted]
Resident of Dulwich Hill

## Nigel Riley

**From:** [redacted]
**Sent:** Thursday, 4 June 2026 12:00 AM
**To:** Inner West Planning
**Subject:** My submission_Draft Affordable Housing Policy - Have Your Say

To Whom It May Concern, IWC Planning.

My *Have Your Say* submission re: **Draft Affordable Housing Policy**

- Request Council re-examine the feasibility study that recommended 10% versus 20% of the floor space that Council committed to in the Extraordinary Council Meeting, 30th September 2025.

- Replace the dedication of all Affordable Housing Contributions to one nominated CHP with a grant program open to ALL Community Housing Providers.

- Any transfer of existing Council-owned housing & sale of Council land should be based on a **competitive tender process** open to **ALL not-for-profit Community Housing Providers**, including the big Tier 1 providers and the smaller Tier 2 & 3 providers that allow for a diversity in services, housing and time frames.

- A minimum of **50%** of housing delivered using affordable housing contributions should be allocated for **low & very-low income households**, to ensure our most vulnerable community members will be housed.

- Include a requirement that housing costs are to be set at **no more than 30% of household income**, to ensure that housing delivered using public funds is truly affordable.

- Specify a **minimum floor area of 35sqm** for any **affordable housing** to be paid as in-kind contributions, to avoid the dedication of smaller co-living units.

- Reporting of affordable housing contributions received & how it has been used should be made annually to ensure transparency for the community in the process.

[redacted]
IW resident
3 June 2026

## Nigel Riley

**From:** [redacted]
**Sent:** Sunday, 31 May 2026 4:29 PM
**To:** Inner West Planning
**Subject:** Inner West Council's draft Affordable Housing Policy

[redacted]

I have read Inner West Council's draft Affordable Housing Policy and Better Future Coalition analysis of the draft, on their website.

Having spent many decades in the public sector researching developing implementing and reviewing policy, I believe I can also make a worthwhile contribution to IWC's draft policy.

As with other recent policy initiatives of IWC I experience a worrying trend towards policy obfuscation, wilful vagueness, lack of important definitions, lack of clarity and vagueness about who ' owns' the responsibility. Simply put, this is poor policy and not in the best interests of those residents IWC is meant to serve.

Having laid this groundwork in general and hopefully to keep it simple and clear, please accept that I agree with most, if not all, the points raised by Better Future Coalition, including:
1 Provide ' affordable housing' definition
2 How much affordable housing are we getting? Ensure the % of affordable housing contributions for additional floor spaces is 20% as IWC committed to us in 2025.
3 Ensure affordable housing goes to those in need and that 50% goes to low income people. The same intent for rent, ensuring rent is actually affordable for those in need.
4 State who controls the money collected from developers and provide the Governance and Distribution Framework up front for how and by whom the money is managed.
5 Ensue all types of community housing providers can participate and receive the benefits of monetary contributions to ensure diversity and inclusion, not restricting to tier 1. Provide rationale for tier 1 only.
6 Ensure that the impetus towards developers and development is legitimate, ethical, finely tuned and fair and doesn't result in over development over priced destruction of the fabric of the inner west.

Thank you
[redacted]

## Nigel Riley

**From:** [redacted]
**Sent:** Sunday, 7 June 2026 11:35 PM
**To:** Inner West Planning
**Cc:** [redacted]
**Subject:** Draft Affordable Housing Policy feedback

[redacted]

Hello,

My name is [redacted]. I have been a resident of Ashfield since 2014. I am a software developer and small business owner in the renewables industry. I am so glad to be able to live in this diverse, beautiful, historic and vibrant part of Sydney.

**Summary**

I believe the present Draft Affordable Housing Policy to be an improvement over the status quo. But I find it disappointing and unambitious, and I have three significant items of feedback.

1. The policy should require affordability, rather than just aiming for it.
2. The policy should allow Council funds and land to be allocated to any CHP with a competitive proposal, not only a small number of nominated CHPs.
3. Council must go beyond our insufficient "affordable housing" paradigm if it believes housing is actually a human right, and trial proven models from overseas: cooperatives and community land trusts.

**1 Require affordability to increase fairness and access**

The affordable housing contribution from additional floor space grants was promised to be set at 20% in the meeting on September 30, 2025. Under this draft it has regressed to 10%. It must be restored to 20%.

At least 50% of affordable dwellings must be leased to those on Low or Very Low incomes, and the policy must specify that rents are actually based on income, not on a discount from market rate. Otherwise the dwellings cannot be said to be Affordable.

**2 Allow participation from any CHP with a competitive proposal**

The current policy specifies that developer contributions and sales of Council land etc. will be handled by a Council-nominated Tier 1 CHP(s). Instead, Council should allow any CHP with a competitive proposal to participate in delivering affordable housing in the Inner West. This may be similar to the City of Sydney's Diverse and Affordable Housing Fund.

This will allow access to CHPs with innovative models or special areas of focus, such as Common Equity NSW, Birribee Housing, or Womens' Community Shelters, all of which are Tier 2 CHPs.

**3 Consider alternative housing models that are proven to work elsewhere**

The Inner West Council alone cannot solve the housing crisis, and it is good that this policy specifically includes working with State government, Property NSW, and other Councils to deliver more affordable and social housing.

However, I strongly urge Council to recognise that the paradigm of "affordable housing contributions from developers" is insufficient to actually address structural issues with the housing system. As representatives of a progressive and diverse constituency, Council should take bolder action and strive to be a leader in showing how to address these issues. Council did not cause them, but Council can be part of the solution.

Federal Labor has taken a bold and I think extremely necessary step of winding back the financialisation of our housing by returning to a pre-Howard CGT regime and using negative gearing to incentivise new supply instead of trading homes that already exist. These changes are welcome, but again, insufficient.

We have seen that limited-equity housing cooperatives are successfully providing long-term stable affordable housing in places ranging from Uruguay to Denmark, from Zurich to New York City. There is renewed interest in promoting cooperatives in the UK, Canada, and elsewhere. Where this type of housing is widespread, it has significant benefits for residents and for the the entire housing system.

Housing cooperatives represent a non-speculative, non-market approach to housing which is somewhere between renting and private ownership. Through limiting the resale values of cooperative shares, access to housing is ensured to remain affordable in the long term.

In my experience, Australians have no idea this way of living is even possible - but when they hear about it, they support it. The City of Sydney have endorsed this approach in their Sustainable Sydney 2030-2050 plan, saying "We must test this proposal to see if it is financially sound and can be provided at scale to help supply affordable housing in Sydney." I urge Council to do the same.

- Educate staff about limited-equity cooperative models which currently function elsewhere. Consult those with experience in co-operative models such as the Business Council of Cooperatives and Mutuals or the Australian Cooperative Housing Alliance. Collaborate with State government and other Councils to share knowledge.
- Run a consultation process with the community about these models specifically. Cooperatives in other places thrive on broad public support.
- Commission an expert feasibility study into a financial model based on long-term (75 year) leasehold of Council land or land from faith-based organisations.
- Earmark land specifically for a housing cooperative pilot project to demonstrate a scalable model. Lobby State government to do likewise.

Financialisation and the incentive to invest in housing for profit have contributed significantly to the housing issues here in the Inner West. Creating non-speculative, non-market solutions is the most important thing we can do to address this.

**The difference between social housing cooperatives and limited equity**

Australia currently has a small cooperative housing sector. More than half of existing cooperatives are operated as social housing, mainly by the "common equities", of which Common Equity NSW is our local example. They are CHPs with the mandate to deliver cooperative social housing. We need more of this.

However, housing cooperatives have the opportunity to bridge the "missing middle" between social/affordable housing and private market housing. They can be genuinely mixed-income communities, which improves outcomes for residents and promotes an egalitarian social mix.

**Additional feedback**

- Reporting of affordable housing contributions and how they are being used must be *annual*, not only per council term. Both transparency and urgency are extremely important.
- By upzoning, private landowners stand to make windfall gains. Council should consider levying affordable housing contributions from these outsized returns.
- The community must have the chance to evaluate the Governance and Distribution Framework which seems an essential part of actually delivering on the ideas in this Policy draft.

**Postscript**

I have been involved in preparing the submission made by Sydney Cohousing, but have no affiliation with any other submissions on this Draft Policy. This submission represents my personal views.

I have been very lucky to find stable and affordable private rental housing through connections at my church, but this has not been the experience of many people I know. I care deeply about the Inner West being accessible to people who are not so fortunate to have the income or connections that I do.

Please hear that there is real demand in the Inner West for bold solutions, not carrots for private developers.

> "My hot take on “15-minute cities” is if you can get to the coffee shop within a fifteen-minute walk, but the barista who makes your drink can’t afford to live closer than a half-hour drive away, then you live in a theme park." - Gareth Kiebler

> "Nothing is too good for the poor." - Dorothy Day

Thank you for the chance to submit this feedback.
[redacted]

[redacted]

7 June 2026

Re. Inner West Council proposed Affordable Housing Policy

To Whom It May Concern,
Thank you for the opportunity to submit feedback on the Draft Affordable Housing Policy.

I fully support the principle that Inner West Council should increase the supply of genuinely affordable housing - especially for people on low and very low incomes. As we are in the midst of an housing affordability crisis, ensuring the provision of truly affordable housing for the people who most need it is absolutely essential.

I support the policy principles outlined by Council, particularly the emphasis on maintaining a socially diverse community and ensuring that affordable housing is delivered through transparent and equitable planning mechanisms.

I agree that these homes should be secured in perpetuity wherever possible, located close to jobs, transport, and essential services.

I do not believe that this draft policy will support these outcomes, given it:
- Reduces the Affordable Housing Contribution for bonus floorspace (halving it from the 20% promised by Councillors in their public meeting in September 2025)
- Lacks the requisite clarity about how much affordable housing will be produced, how it will be distributed, and whether delivery will occur in-kind or through cash contributions.

The policy - shaped by the demands of private, for-profit, developers, relies too heavily on future development activity and market conditions. If development slows, as it well might, given current economic conditions, the delivery of affordable housing - an urgent need - will slow as well. That is not an adequate response to an urgent and ongoing housing crisis.

I am deeply concerned about the loss of existing affordable housing stock, which we are already seeing in Marrickville. The combined impact of the TOD, LMR and Fairer Future planning reforms is the demolition and/or displacement of lower-cost housing, including boarding houses, older apartment buildings, shared houses and modest dwellings that have historically provided accessible accommodation for low and moderate income households, artists and creative spaces. The policy must do more to protect this existing stock. Once it is gone it is gone forever.

The proposed contribution settings are far too low to have any discernible impact on housing affordability across the Inner West. Council's previous policy sought a 15% affordable housing target, and the 2025 Fairer Future decision referred to 3% affordable housing in upzoned areas and 20% for proposals seeking additional floor space - far more than is included in the current draft.

In order to fulfil Council's goals, and achieve the promises made by Council to its electorate, this draft policy should strengthen, not weaken, the delivery of affordable housing.

The definition of affordable housing in this policy requires greater clarity and should prioritise those in our community experiencing the greatest housing stress. If 'moderate income' households (up to 120% above average) are allowed to absorb most of the available supply, then very low and low income households will remain excluded.

The policy Affordable housing should be targeted primarily to very low and low income households, with a smaller proportion available to moderate income households , where appropriate. Without this safeguard, the policy risks producing housing that is "affordable" in name only, but inaccessible to those most in need.

If cash contributions become the default mechanism for housing delivery, supply could be delayed indefinitely, and current residents relocated to suburbs across the Inner West.

For this reason, Council must release the Governance and Distribution Framework alongside the Affordable Housing Policy, to allow the community to assess delivery timelines, accountability arrangements, and the decision-making process before the policy is finalised.

Recommendations

To ensure the policy delivers real and measurable outcomes to address the current housing affordability crisis, Council should:

- Investigate the effect of vacant dwellings and short-term rental platforms on rental availability, and should consider stronger measures to encourage underused dwellings back into the long-term rental market.

- Prepare an inventory of existing affordable housing to ensure no net loss, and establish strict planning controls to protect current affordable housing stock (e.g. all development applications must evaluate the specific type and volume of housing lost through demolition, rather than relying solely on the merits of the proposed replacement housing)

- Require a social impact assessment for all areas proposed for rezoning

- Set explicit affordable housing targets for the LGA, including targets by dwelling type and household need

- Allocate a minimum of 50% to 75% of affordable housing to very low- and low-income households

- Ensure that families are accommodated for in larger 2 and 3+ bedroom housing

- Mandate that rents charged must not exceed 30% of household income, ensuring the housing delivered is actually affordable and not merely discounted from market rates

- Increase affordable housing contributions for additional floor space to 20%, consistent with Council's September 2025 commitment to the Inner West community

- Ensure affordable housing is integrated into mixed communities (per community expectation), located close to transport, employment, and services, and provided with adequate parking, particularly for key workers who work shift patterns

- Advocate strongly for public housing on government land, while investigating the reuse of vacant housing and the regulation of short-term rentals to improve long-term rental supply

- Release the Draft Governance and Distribution Framework before the policy is adopted, providing:
  - ○ Clear timelines and delivery obligations for the actual housing (not just the contributions)
  - ○ Where housing will be provided when contributions are made in cash rather than in-kind
  - ○ Full clarification on which body remains accountable to the community (Council or the Community Housing Provider)

- Make contributions available to all types and sizes of community housing providers (including smaller providers, Tier 2/3, and cooperatives, not just Tier 1) to ensure a diverse range of local housing solutions

In conclusion, as it has been shaped by the business objectives of private, for-profit developers and their shareholders, this Policy in its current draft form is insufficient to meet Council's goals of providing accessible, affordable public housing to the people in our community and others hoping to live in the Inner West. Council must institute stronger, more rigorous policy that upholds the public interest and supports the Inner West electorate first and foremost.

Affordable Housing

I have just spoken to an 84 yo who has lived at [redacted] Marrickville for 25+ years. Her block of units has recently been sold to a lawyer from the original owner and now goes to auction in Double Bay. The older resident of the affordable rental was highly distressed as are several other older single women who face being homeless with a church group supporting them.

Students from my local school starting a family have all gone to Western Sydney and young teachers here rely on parental money to stay in the area. My daughter is a hospital specialist and now lives in Gosford. A 5% deposit is a very risky strategy for young people. There is a lack of skilled people to service older houses, education, police and welfare, which translates into houses being knocked down for redevelopment by investor owners for profit. Typically, owner-residents have a stake in nation building and community – disenfranchised young people becomes a social issue. I come from dockside London where containerization caused radical skill loss and rapid high-rise accommodation which caused the area to become dangerous.

Unlike Singapore's HDB scheme, Australia has invested in free enterprise and not public strategies. The Inner West - Bankstown metro has been earmarked for high density demographics rather than a more balanced approach foregrounding existing community, local skilled jobs & work, open space together with shared responsibility from other councils.

Callum Park is now preserved for swimmers, cafes and dog walkers where the overwhelmed RPA mental health facility relies on assessment and self-administered drug treatments. Building a high rise over Marrickville Station during closure would have housed many skilled young workers that are needed in this area.

[redacted]

# IWC Affordable Housing Policy

## Public Exhibition Submission

By [redacted]

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### Introduction

**My name is [redacted], & I am a local resident of Marrickville, a practising architect specialising in affordable & not-for-profit housing design, & member of the Inner West Council's Housing for All Local Democracy Group.**

As a proud member of the Inner West, I am very excited to see that the Council is finally implementing affordable housing contributions through the Fairer Future Plan LEP Review **(FFP)** & outlining how it will deliver more affordable housing in the Inner West through the draft Affordable Housing Policy **(AHP)** on exhibition.

I am broadly supportive of the direction the AHP is taking, to gather affordable housing contributions to invest in the delivery of affordable housing in the Inner West, however, I have a few concerns & recommendations for improvement summarised below:

1. **Replace the dedication of all Affordable Housing Contributions to nominated CHP's with a grant program open all Community Housing Providers**

2. **Increase the percentage (%) of affordable housing contributions for any additional proposed residential floor space beyond the baseline provision in the FFP to 20%, to action Council's commitment from the Extraordinary Council Meeting on 30th September 2025.**

3. **Any transfer of existing Council owned housing & sale of Council land, should be based on a competitive tender process open to all not-for-profit Community Housing Providers, including Tiers 2 & 3, not just Tier 1**

4. **Include a requirement that a minimum of percentage (%) of housing delivered using affordable housing contributions to be allocated for low & very-low income households, to ensure our most vulnerable community members will be housed.**

5. **Include a requirement that housing costs are to be set at no more than 30% of household income, to ensure that housing delivered using public funds is truly affordable.**

6. **Specify a minimum floor area of 35sqm for any affordable housing to be paid as in-kind contributions, to avoid the dedication of smaller co-living units**

7. **Reporting of affordable housing contributions received & how it has been used should be made annually to ensure transparency for the community in the process.**

My detailed thoughts & recommendations to improve the Plan have been outlined in my submission below.

# Explanatory Notes

### Recommendation 1 - Replace the dedication of all Affordable Housing Contributions to nominated CHP's with a grant program open all Community Housing Providers

## Council's Proposal

The draft AHP (pg. 29) proposes that all affordable housing contributions dedicated to Council will be:

- transferred to Council's nominated Tier 1 CHP(s)
- combined, aggregated & leveraged with CHP's own resources and/or with the resources of agencies such as Homes NSW, Housing Australia, Landcom, etc.
- used for the purchase of dwellings for Affordable Housing in the Inner West LGA
- leveraged to maximise the quantum of affordable housing dwellings.

Council will prioritise Tier 1 CHP's who have appropriate experience in the Inner West for nomination, with a minimum 5 year term. The nominated Tier 1 CHP will take ownership & management responsibilities for any monetary or in-kind contributions gained during their term.

Management of affordable housing delivered under Affordable Housing Contributions (EP&A Act) will also be undertaken by Council's nominated CHP.

## Recommendation

Although I agree that Tier 1 CHP's are the most appropriate to deliver larger scale affordable housing projects, larger scale developments:

- Require more time to aggregate the large sum of contributions & capital to deliver
- will take a longer time to complete the design & construction process
- carries a higher development risk
- is contingent on availability of CHP resources & State & Federal funds.

All of which will significantly increase the time needed for affordable housing to be delivered.

There are also significant conflicts that are present when selecting just a single Tier 1 CHP to receive all contributions.

By transferring all of Council's affordable housing contributions to a single or handful or Tier 1 CHP's, Council also has no control or guarantee of when, where & how the housing will be developed & risks putting all of our eggs in one basket. If a proposal is presented to Council from a CHP that has not been nominated by Council, that can be delivered immediately, Council has no mechanism to support that project under the current AHP.

Part of Council's affordable housing delivery strategy is also to incentivise faith-based organisations to provide land to develop social & affordable housing. Faith Housing Australia members include at least 5 Tier 1 Community Housing Providers, including:

- Baptist Care
- Fresh Hope
- Hume Housing
- Mission Australia
- St Vincent de Paul

If suitable sites for development are available, but are owned by a Tier 1 CHP, or faith-based organisations who have existing relationships with a particular CHP, that has not been nominated by Council, they will not be able to access the contributions & could potentially make the development non-viable.

The proposed policy will not provide contributions to support Tier 2 & 3 CHP's who have historically been the most consistent providers of affordable housing in the Inner West, including women's shelters, aboriginal housing & disability housing.

The policy also incorrectly assumes that Tier 1 CHP's are the only Tier with development capabilities. Tier 2 CHP's also have development capacity & are required to deliver affordable housing to maintain their CHP registration.

Notable Tier 2 CHP's operating in the Inner West & their delivered housing projects include:

| HOUSING PROVIDER | CHP TIER | HOUSING DELIVERY |
|---|---|---|
| Women's Community Shelters | Tier 2 | Converting Old Wesley Mission Hospital, Ashfield into a 100 bed crisis & transitional housing for women & children fleeing domestic & family violence in 2025.<br><br>Under 12 months, minimal budget, delivered through pro-bono services & volunteers |
| Common Equity NSW | Tier 2 | Management of multiple co-operative housing developments in the Inner West, including Marrickville Arabic Housing Co-op (Marrickville), Dunroamin Housing Co-op (Haberfield), Ningana Housing Co-op (Annandale). Common Equity have also delivered a new 6-unit co-operative housing development in Croydon in 2021, as well as medium scale developments in Cabramatta & the Mid-North Coast. |
| Metro Housing | Tier 2 | Delivered the Sloane St project, 16 unit affordable co-living in Summer Hill |
| Good Shepherd | | currently developing 64 affordable dwellings for older women over 55 in Marrickville |
| Birribee Housing | Tier 2 | Aboriginal Housing provider |
| Anglicare Community Services | Tier 2 | |
| Uniting Church | Tier 2 | |
| United for Care | | Disability Housing Provider |
| Wesley Mission | Tier 2 | |

## Example of the typical registration tier for different community housing activities

Select the scope of different community housing activities below to view the registration tiers.

| SCOPE | | | | | | |
|---|---|---|---|---|---|---|
| Ongoing development activities at scale | Tier 1 | Tier 1 | Tier 1 | Tier 1 | Tier 1 | Tier 1 |
| Ongoing small-scale development activities | Tier 2 | Tier 2 | Tier 2 | Tier 2 | Tier 1 or 2 | Tier 1 |
| One-off and/or very small scale development activities | Tier 3 | Tier 2 or 3 | Tier 2 | Tier 2 | Tier 2 | Tier 1 or 2 |
| No development activities | Tier 3 | Tier 3 | Tier 2 or 3 | Tier 2 | Tier 2 | Tier 2 |
| | 0 | 50 | 100 | 300 | 500 | 2,000 |

**Scale of community housing tenancy and property management activities**

Number of community housing tenancies / Number of community housing properties (whichever is larger)

To view the accessible version of the above table, please see **Example of the typical registration tier for different community housing activities**.

https://nrsch.gov.au/providers/categories-of-registration-tiers/example-of-the-typical-registration-tier-for-different-community.html

Tier 2 CHP's specialise in delivering diverse, small to medium scale affordable housing that are well suited in the lower density areas of the LGA. Small to medium scale developments can be delivered faster & at a lower cost, which allows Council to deliver housing in the time needed to aggregate the larger sums of contributions required to allow Tier 1 CHP's to deliver larger scale developments.

Smaller sums of contributions can also be used to purchase properties in Heritage Conservation Areas that are not suitable for higher density development, but can be quickly converted to affordable housing & managed by Tier 2 & 3 CHP's.

To resolve all of these issues, Council should hold onto the affordable housing contributions it receives & establish a grant program to distribute affordable housing contributions, similar to:

- the City of Sydney Council's Affordable & Diverse Housing Fund
- The Western Sydney Regional Affordable Rental Housing Contribution Scheme
- Homes NSW Direct Dealing Program

All of the schemes listed above have similar measures in place where:

- Funds are held & aggregated, either by Council or Homes NSW
- distributed through a competitive expression of interest or grant process
- Project proposals are individually assessed & funds to be allocated flexibly depending on the nature & impact of the project
- Funds are available year round, & can be accessed when they are needed, timed with availability of other Federal & State funding programs.

Council should amend the draft Affordable Housing Policy to:

- continue to use the Inner West Affordable Housing Fund to collect, aggregate & manage all affordable housing contributions received through development.

- Allocate contributions through a grant program open to all eligible CHP's, including Tier 1, 2 & 3

- Allow CHP's to submit proposals at any time to deliver affordable & diverse housing of all scales, including larger scale developments by Tier 1 CHP's, & small & medium scale developments by Tier 2 CHP's.

- Assess proposals & allocate funds based on:

    - Quantum of housing delivered

    - Timing of delivery

    - Location of development

    - Local housing needs & priorities, which can be updated over time

- Prioritise 'Shovel-ready' projects or projects that have already secured additional capital & State & Federal funding to deliver housing at a faster pace.

This would replace the current provision in the draft AHP to allocate all contributions to a nominated CHP(s).

Having a grant program like this will allow Council to:

- Provide a fairer & more competitive method to allocate affordable housing contributions

- More flexibility & agility in allocation of contributions, delivering housing faster

- Develop more diverse housing of different typologies, scales & to housing different target groups

- More rapidly respond to housing needs in the LGA as needs change over time

## Recommendation 2 - Increase the percentage (%) of affordable housing contributions for any additional proposed residential floor space beyond the baseline provision in the FFP to 20%, to action Council's commitment from the Extraordinary Council Meeting on 30th September 2025.

### Council's Proposal

At the Extraordinary Council Meeting on 30th September 2025, where Council passed the FFP Stage 1, Council also made a commitment to the community to include a 20% affordable housing contribution for any additional proposed floor space beyond the baseline provision in upzoned areas.

However, the AHP has reduced this to 10% based on the feasibility analysis & recommendation provided by Atlas Economics (9th April 2026).

### Recommendation

Firstly, the reduction of the additional affordable housing contributions on additional floor space over & above the uplift provided in the FFP is a clear contravention of the commitment made by Council to the community at the September 2025 Council meeting.

This provision was celebrated by the community at the time as potentially delivering more affordable housing for the community in the middle of the housing crisis. It is disappointing to see Council not action that commitment in the AHP.

This decision seems to be based on Atlas economic's updated feasibility analysis report. However, I am arguing the report is inconclusive at best & that a 20% affordable housing contribution on additional floor space would be feasible.

According to Atlas Economic's 'Our Fairer Future Plan - Post-exhibition Finalisation' Report (dated 16/09/2025) pg. 2, 'whether development is feasible depends on two key factors:

- The price a development would need to pay to consolidate the development site, which is generally above market rates

- Whether the development would cover the cost of production & provide a commercial return to a developer, with an expected 20% profit margin on development costs.

### What is the feasibility of requiring higher Affordable Housing contribution rates?

The capacity for development to contribute to affordable housing depends on whether that development is feasible. Whether development is feasible depends on two key factors:

- The price a developer would need to pay to consolidate a development site. This is influenced by the existing buildings and the associated property value.
- The land uses and density permitted and if revenue from the permitted development would cover the cost of production (i.e. the cost of land and the cost of development) and provide a commercial return to a developer.

In Atlas's 'Re: Inner West Affordable Housing Policy' report (dated 9/4/26), their analysis does not clearly articulate whether the proposed 20% additional affordable housing contributions on additional floor space meets these two factors.

Instead, Atlas has opted to use a convoluted 'Base Value & Retained Value' comparison, without stating actual development profit margins, & only evaluates the 'Retained Value' as modest or negative, which is inconclusive on feasibility.

Upon analysing Table 1 - Impact of additional Affordable Housing Contributions in Altas's 2026 report, I found that a 20% affordable housing contribution rate on additional floor space is indeed feasible.

The analysis was conducted by:

- Using the same development cost & revenue parameters provided in Altas's report (Table 1)
- Separating out the base 3.5:1 FSR uplift development costs, including land acquisition costs, from the additional floor space development costs
- Applying the 2% affordable housing contributions on the Base Case
- Modelling various percentages of affordable housing contributions on additional floor space (2%, 10% & 20%)
- Modelling 2 different scenarios of additional FSR uplift, +1:1 & +2:1 for comparison of the effects of additional uplift.

The Scenario's analysed are:

- **Base Case** - 3.5:1 FSR uplift of existing sites under the FFP, with 2% affordable housing contributions applied, & land acquisition costs included
- **Scenario 1A** - an additional 1.0:1 FSR uplift under a Proponent Led Planning proposal, with a 2% affordable housing contribution applied on the uplift only
- **Scenario 1B** - an additional 1.0:1 FSR uplift under a Proponent Led Planning proposal, with a 10% affordable housing contribution applied on the uplift only
- **Scenario 1C** - an additional 1.0:1 FSR uplift under a Proponent Led Planning proposal, with a 20% affordable housing contribution applied on the uplift only
- **Scenario 2A** - an additional 2.0:1 FSR uplift under a Proponent Led Planning proposal, with a 10% affordable housing contribution applied on the uplift only
- **Scenario 2B** - an additional 2.0:1 FSR uplift under a Proponent Led Planning proposal, with a 20% affordable housing contribution applied on the uplift only

My analysis clearly demonstrates that:

- A 3.5:1 FSR is sufficient to provide a Residual Land Value **12.8% above average market rates**, which would be sufficient to acquire & consolidate separate lots in most cases
- With a 2% additional contribution rate, the **development profit margin would be 47%** of development costs
- With a 10% additional contribution rate, the **development profit margin would be 35%** of development costs
- With a 20% additional contribution rate, the **development profit margin would still be 20%** of development costs.
- Any additional uplift would result in the **same development margin**.

The construction cost rate & market sales rate used in the analysis of additional floor space is the same as the Base Case presented by Atlas, which also aligns with their analysis of additional floor space, which is:

- $1.47 million average sale price per unit &
- $7,386/sqm of GFA in construction costs

However, it should be noted that by further uplifting a development, the additional units developed would:

- Sell for a higher market price, being at higher level of the development
- Cost less per sqm to build as the some construction costs (foundations, services equipment, lobby, etc) would already have been covered in the base case.

**Link to analysis spreadsheet**

| | BASE CASE<br>3.5:1 BASE UPLIFT<br>2% BASE CONTRIBUTIONS | SCENARIO 1A<br>+1.0:1 ADDITIONAL FSR<br>2% ADDITIONAL CONTRIBUTIONS | SCENARIO 1B<br>+1.0:1 ADDITIONAL FSR<br>10% ADDITIONAL CONTRIBUTIONS |
|---|---|---|---|
| NO. OF SITES | 4 | | |
| SITE AREA | 300 sqm | | |
| TOTAL SITE AREA | 1200 sqm | | |
| PROPOSED/ADDITIONAL FSR | 3.5:1 | +1.0:1 | +1.0:1 |
| ALLOWABLE FSR | 4200 sqm | +1200 sqm | +1200 sqm |
| TOTAL UNITS | 47 dwellings | +13 dwellings | +13 dwellings |
| GFA/DWELLING | 89 sqm/dwelling | | |
| **AFFORDABLE HOUSING CONTRIBUTION (%)** | **2%** | **2%** | **10%** |
| AFFORDABLE HOUSING UNITS | 0.9 dwellings | +0.3 dwellings | +1.3 dwellings |
| AFFORDABLE HOUSING GFA | 84 sqm | +24 sqm | +120 sqm |
| NET MARKET GFA | 4116 sqm | +1176 sqm | +1080 sqm |
| NET MARKET UNITS | 47 dwellings | +12.7 dwellings | +11.7 dwellings |
| GROSS REVENUE<br>(NET MARKET GFA X REVENUE/SQM(GFA)) | **$69,090,000** | **$19,345,200** | **$17,766,000** |
| REVENUE/SQM(GFA) | $16,450/sqm | | |
| REVENUE/MARKET UNIT | $1,470,000/unit | | |
| SELLING COSTS | $1,727,250.00 | $483,630 | $444,150 |
| SELLING COSTS %<br>(SELLING COSTS/REVENUE) | 2.50% | | |
| GST (10%) | $6,280,909 | $1,758,655 | $1,615,091 |
| NET REVENUE | **$61,081,841** | **$17,102,915** | **$15,706,759** |
| CONSTRUCTION COSTS<br>(ALLOWABLE FSR X CONSTRUCTION COSTS/SQM GFA) | **$31,020,000.00** | **$8,862,857.14** | **$8,862,857.14** |
| CONSTRUCTION COSTS/DWELLING | $660,000.00 | | |
| CONSTRUCTION COSTS/SQM GFA | $7,386/sqm | | |
| PROFESSIONAL FEES | $3,102,000.00 | $886,285.71 | $886,285.71 |
| PROFESSIONAL FEES %<br>(PROFESSIONAL FEES/CONSTRUCTION COSTS) | 10% | | |
| FEES & CHARGES | $1,704,220.00 | $486,920.00 | $486,920.00 |
| FEES & CHARGES %<br>(FEES & CHARGES/CONSTRUCTION COSTS) | 5.49% | | |
| INTEREST | $5,015,671.00 | $1,433,048.86 | $1,433,048.86 |
| INTEREST %<br>(INTEREST/CONSTRUCTION COSTS) | 16.17% | | |
| DEVELOPMENT COSTS | **$41,501,891.00** | **$11,669,111.71** | **$11,669,111.71** |
| GROSS PROFIT<br>(NET REVENUE-DEVELOPMENT COSTS) | $19,579,950 | $5,433,804 | $4,037,647 |
| DEVELOPMENT PROFIT | $8,300,378 | $5,433,804 | $4,037,647 |
| DEVELOPMENT MARGIN<br>(DEVELOPMENT PROFIT/DEVELOPMENT COST) | **20%** | **47%** | **35%** |
| RESIDENTIAL LAND VALUE<br>(GROSS PROFIT - DEVELOPMENT PROFIT) | **$11,279,572** | | |
| RESIDUAL LAND VALUE/SITE | **$2,819,893** | | |
| MARKET RATE (300SQM SITE) AVERAGE | $2,500,000 | | |
| %OVER MARKET RATE | **12.80%** | | |

*Image - Table analysing Scenario Base Case, 1A, 1B development feasibility*

| | SCENARIO 1C<br>+1.0:1 ADDITIONAL FSR<br>20% ADDITIONAL CONTRIBUTIONS | SCENARIO 2A<br>+2.0:1 ADDITIONAL FSR<br>10% ADDITIONAL CONTRIBUTIONS | SCENARIO 2B<br>+2.0:1 ADDITIONAL FSR<br>20% ADDITIONAL CONTRIBUTIONS |
|---|---|---|---|
| NO. OF SITES | | | |
| SITE AREA | | | |
| TOTAL SITE AREA | | | |
| PROPOSED/ADDITIONAL FSR | +1.0:1 | +2.0:1 | +2.0:1 |
| ALLOWABLE FSR | +1200 sqm | +2400 sqm | +2400 sqm |
| TOTAL UNITS | +13 dwellings | +27 dwellings | +27 dwellings |
| GFA/DWELLING | | | |
| **AFFORDABLE HOUSING CONTRIBUTION (%)** | **20%** | **10%** | **20%** |
| AFFORDABLE HOUSING UNITS | +2.7 dwellings | +2.7 dwellings | +5.4 dwellings |
| AFFORDABLE HOUSING GFA | +240 sqm | +240 sqm | +480 sqm |
| NET MARKET GFA | +960 sqm | +2160 sqm | +1920 sqm |
| NET MARKET UNITS | +10.7 dwellings | +24.2 dwellings | +21.5 dwellings |
| GROSS REVENUE<br>(NET MARKET GFA X REVENUE/SQM(GFA)) | **$15,792,000** | **$35,532,000** | **$31,584,000** |
| REVENUE/SQM(GFA) | | | |
| REVENUE/MARKET UNIT | | | |
| SELLING COSTS | $394,800 | $888,300 | $789,600 |
| SELLING COSTS %<br>(SELLING COSTS/REVENUE) | | | |
| GST (10%) | $1,435,636 | $3,230,182 | $2,871,273 |
| NET REVENUE | **$13,961,564** | **$31,413,518** | **$27,923,127** |
| CONSTRUCTION COSTS<br>(ALLOWABLE FSR X CONSTRUCTION COSTS/SQM GFA) | **$8,862,857.14** | **$17,725,714.29** | **$17,725,714.29** |
| CONSTRUCTION COSTS/DWELLING | | | |
| CONSTRUCTION COSTS/SQM GFA | | | |
| PROFESSIONAL FEES | $886,285.71 | $1,772,571.43 | $1,772,571.43 |
| PROFESSIONAL FEES %<br>(PROFESSIONAL FEES/CONSTRUCTION COSTS) | | | |
| FEES & CHARGES | $486,920.00 | $973,840.00 | $973,840.00 |
| FEES & CHARGES %<br>(FEES & CHARGES/CONSTRUCTION COSTS) | | | |
| INTEREST | $1,433,048.86 | $2,866,097.71 | $2,866,097.71 |
| INTEREST %<br>(INTEREST/CONSTRUCTION COSTS) | | | |
| DEVELOPMENT COSTS | **$11,669,111.71** | **$23,338,223.43** | **$23,338,223.43** |
| GROSS PROFIT<br>(NET REVENUE-DEVELOPMENT COSTS) | $2,292,452 | $8,075,295 | $4,584,904 |
| DEVELOPMENT PROFIT | $2,292,452 | $8,075,295 | $4,584,904 |
| DEVELOPMENT MARGIN<br>(DEVELOPMENT PROFIT/DEVELOPMENT COST) | **20%** | **35%** | **20%** |
| RESIDENTIAL LAND VALUE<br>(GROSS PROFIT - DEVELOPMENT PROFIT) | | | |
| RESIDUAL LAND VALUE/SITE | | | |
| MARKET RATE (300SQM SITE) AVERAGE | | | |
| %OVER MARKET RATE | | | |

*Image - Table analysing Scenario 1C, 2A & 2B development feasibility*

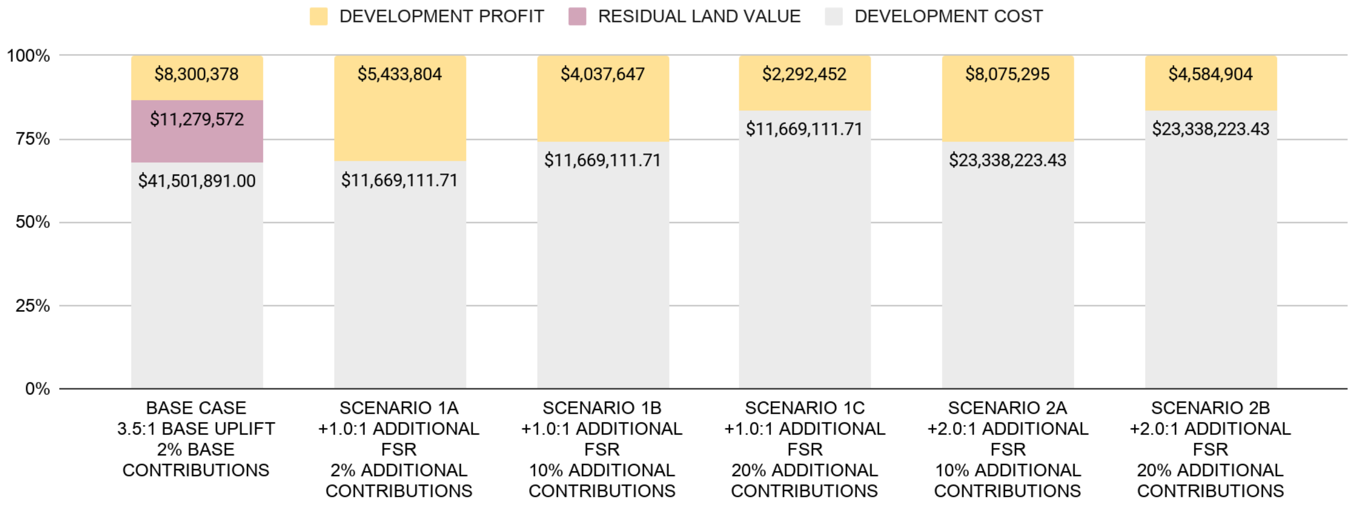


*Image - Graph comparing development profit margin as a percentage of total development costs*

## Recommendation 3 - Any transfer of existing Council owned housing & sale of Council land, should be based on a competitive tender process open to all not-for-profit Community Housing Providers, including Tiers 2 & 3, not just Tier 1

### Council's Proposal

In Council's April 2026 Extraordinary Meeting, Council staff noted that:

'The draft Policy proposes the appointment of a not-for-profit CHP to own and manage Affordable Housing stock on Council's behalf. Under this arrangement, all monetary and in-kind contributions would be distributed to the nominated CHP/s, who will take on ownership and management responsibilities during their term.'

This was further clarified at the Council meeting by Council staff that all existing Council owned housing & associated land would also be transferred to be owned & managed by the nominated CHP(s).

### Recommendation

In line with the arguments presented as part of Recommendation 1, by directly transferring ownership to a nominated CHP(s) will mean that Council will miss out on other opportunities to utilitise Council assets to deliver diverse housing by other CHP's.

It is recommended that if any existing Council owned housing or Council land is to be sold to for the purposes of affordable housing development, that it should be based on a competitive tender process open to all CHP's, regardless of size & tier level.

Other Councils, such as City of Sydney, when selling such assets, have utilised this system, & have been able to deliver a diverse range of affordable & social housing, including:

- **Gibbons St Redfern** - previously a Council depot - tendered & awarded to St George Community Housing to deliver an 18-storey affordable & social housing development with 42 social housing units & 120 affordable housing units

- **Cope St Redfern** - previously a Council depot - recently awarded to Wyanga Aboriginal Aged Care & Uniting to develop a fit-for-purpose Aboriginal Aged Care facility

- **Darlinghurst Site** - previously Council housing - awarded to Common Equity NSW to be repurposed into affordable co-operative housing for transgender women

Inner West can also benefit from the creative & diverse housing proposals that could be presented through an EOI process open to all to deliver the quantum & diversity of housing our community critical needs.

**Recommendation 4 - Include a requirement that a minimum of percentage (%) of housing delivered using affordable housing contributions to be allocated for low & very-low income households, to ensure our most vulnerable community members will be housed.**

## Council's Proposal

The AHP (pg. 11) outlines Council's commitment to 'protecting & increasing the supply of housing stock that can be affordably rented by Very Low, Low & Moderate income households'.

The AHP Affordable Housing Principles (pg 10) sets out a principle that "affordable housing is to be rented to a mix of eligible tenants at an appropriate rate (%) of gross household income." but does not specify what the 'appropriate rate' is, or specifically outline the proportion of housing developed that would be allocated to Very Low & Low income households.

## Recommendation

In the current affordable housing market, there is a tendency to allocate 'affordable' housing largely to Moderate income households, defined as an income level equal to 80-120% of median household income. This is largely to generate higher rental returns for housing providers, but have left Very Low & Low income households, who can't possibly afford market rents, left without housing.

City of Sydney's Affordable Housing Program (pg. 9) does include a specific requirement to allocate housing to low & very low income households, specifying:

"Where more than 10 affordable rental dwellings are being provided in the development, at least 25% of dwellings are to be allocated to very low income households & 25% of dwellings to low income households"

It is recommended that Inner West's AHP include specific provisions that 50% of housing delivered using affordable housing contributions is to be allocated for Low & Very Low income households in our community, similar to City of Sydney's provisions.

**Recommendation 5 - Include a requirement that housing costs are to be set at no more than 30% of household income, to ensure that housing delivered using public funds is truly affordable.**

## Council's Proposal

In Council's definition of 'What is Affordable Housing' (pg. 16), Council defines 'housing is considered to be affordable where households pay no more than 30% of their gross household income on rent or mortgage payments'

AHP pg. 30 under Management of Affordable Housing states that 'the policy aims to ensure that Affordable Housing is available... at rents no more than 30% of a household's gross income'. However, this is an 'aim' & not a requirement.

## Recommendation

Ensuring housing funded through affordable housing contributions should not just be an 'aim', it should be a requirement & guarantee that affordable housing delivered will truly be affordable based on household income.

It is recommended that Inner West's AHP include a specific requirement that rents for affordable housing delivered through affordable housing contributions must cost no more than 30% of gross household income, in line with Council's own definition of affordability.

**Recommendation 6 - Specify a minimum floor area of 35sqm for any affordable housing to be paid as in-kind contributions, to avoid the dedication of smaller co-living units**

## Council's Proposal

The AHP currently does not specify the minimum area of dwellings that can be offered to Council as in-kind payment of affordable housing contributions.

## Recommendation

With the prevalence of co-living studio developments in the Inner West, where unit sizes can be as small as 12sqm, the AHP as it stands may result in a large number of small size studio housing dedicated as in-kind contributions. Small sized studios are not suitable for couples, families or people living with a disability.

City of Sydney's Affordable Housing Program (pg. 9) includes a minimum area requirement as well as basic amenity requirements for the dedication of affordable housing contributions in-kind, specifying:

"Each affordable rental dwelling is to have a total floor area of not less than 35 square metres, with any remainder being paid as a monetary contribution to the City."

"Where multiple affordable rental dwellings are provided in the development, the amenity benchmarks established by the Apartment Design Guideline (or any subsequent Guideline that may apply from time to time) are to be generally achieved".

It is recommended that Council include the same requirements in our Affordable Housing Policy to ensure housing dedicated by Council in-kind meets a minimum size & basic level of amenity, suitable to the diverse needs of our community.

**Recommendation 7 - Reporting of affordable housing contributions received & how it has been used should be made annually to ensure transparency for the community in the process.**

## Council’s Proposal

The AHP under 3.4 Monitoring of the Policy (pg. 31) specifies that the Policy is only ‘reviewed’ a minimum of once every term of Council. It does not specify regular reporting by Council or nominated CHP’s on how affordable housing contributions have been used.

## Recommendation

It is recommended that Council staff, & any nominated CHPs receiving affordable housing contributions, report back to Council annually outlining:

- The amount of affordable housing contributions Council has received, both in-kind & monetary payments.
- How contributions have been allocated.
- The quantum, location & characteristics of housing that has been delivered using affordable housing contributions allocated.
- Progress of any ongoing housing developments to which contributions have been allocated.

## Nigel Riley

**From:** [redacted]
**Sent:** Wednesday, 3 June 2026 4:55 PM
**To:** Inner West Planning
**Subject:** Submission on Inner West Council Draft Affordable Housing Policy

[redacted]

Briefly, while as a resident in the Inner West I welcome the existence of the Affordable Housing Policy, I have a number of reservations about the policy and how it may operate.

(1) I do not believe that the policy in its present form will actually provide an increase in the amount of genuinely affordable housing for people on low incomes. I welcome Council's definition of affordable housing in this context as no more than 30% of household income. However, in the context of affordable housing targets for developers, housing at 80-85% of market rents is treated as "affordable". Most such rents will be far from affordable, for people (including many teachers, nurses, and other essential workers) on low incomes.

We need both a higher target for affordable housing where this is mandated in exchange for additional floor space in housing developments (at least the 20% promised by Council in Sept 2025). We also need a higher proportion – at least half – of affordable housing provided through this and other mechanisms to be at rentals which are genuinely possible for people on low incomes. Otherwise this whole mechanism is really just a sham.

(2) We need to stop demolishing adequate low-income housing that already exists. Even where there is a promise of replacing it with new high-rise buildings with a proportion of affordable housing, even where such housing is genuinely as a cost that the present residents can afford, the reality is that people are forced out of their current accommodation onto the open market for at least several years until the new property is available, and few if any will be able to take advantage of it.

(3) Council now argues that it would prefer cash contributions from developers rather than direct provision of affordable housing. If it could be guaranteed that this cash is to be genuinely and promptly used to create really affordable housing, this would probably be a good move. But it is frankly difficult to believe that this will happen. We are also concerned at the suggestion that a single Community Housing Provider be appointed to deal with all such housing. Given the known record of problems with existing CHPs, it would be much better if this were to be open to competition between CHPs on an ongoing basis, so that they would have some interest in using the funds efficiently and promptly to provide good standard housing for as many people as possible.

In general, I believe that the policy needs considerable rethinking, and considerably more ambition, if it is to genuinely improve the situation for those on low incomes who live or hope to live within the Inner West. I also feel that we need a mechanism by which those who are the intended beneficiaries of this policy - people on low incomes who are in need of housing - are able to express their own needs and concerns both in the rethinking of the policy and also in its onward execution once it comes into effect. We need to learn to see this and similar policies from the point of view of the people that the State and its agencies and local manifestations (such as Inner West Council) are serving. At present, it seems that Council is more concerned to stay on good terms with large-scale developers and State-level interests than to assist its own residents.

Yours sincerely

[redacted]

Submission to Inner West Affordable Housing Policy 2026 from [redacted]

I have lived in Marrickville for more than 40 years and have seen many changes in this historically working class suburb with a long industrial history, which has welcomed many waves of immigration and has had rich ethnically diverse community providing a home for families of all shapes & sizes, with residents of all ages and financial means.
Increased costs of homes, housing stress and rentals and the Gentrification and redevelopment of Marrickville & the Inner West have forced many families and people with very low, low or even moderate incomes to move away. Urban renewal & the non replacement of affordable housing lost & the failure of the market to provide affordable housing and the cessation of public housing construction have created a need for planning and construction of much more affordable housing.
Affordably priced housing is an important form of community infrastructure that supports community wellbeing and social & economic sustainability, including a diverse labor market & strong and inclusive communities.
There is a great need to save existing Affordable Housing and increase the supply of affordable housing in the Inner West. With the TOD, LMR and The Fairer Future Plan there will be an enormous loss of affordable houses and units to buy or rent.

I support the Key Principles that Council proposes that affordable housing should:

- Maintain a socially diverse community.
- Be delivered through transparent and equitable planning mechanisms.
- Be secured in perpetuity wherever possible.
- Be located close to jobs, transport and services.
- Be managed by appropriate community housing providers or other suitable entities.
- Be integrated into developments rather than segregated.

I do not however believe that what is outlined in the Draft Policy will deliver affordable housing aligned to these principles.

Major Concerns Include:

- No guarantee that that there will be more affordable housing.

- Totally unknown how much or if there be any?

- Disappointment that the draft policy does not go far enough. Global cities around the world have recognised the important role of housing in their economies and been taking action on affordable or "inclusionary" housing for decades, supported across political spectrums. For Example in 1969 Anti-snob laws were introduced in Massachusetts to provide at least 10% of the housing stock as affordable. In London 2017 revised plan for 35-Max. 50% of new developments for inclusionary housing, 60% of this for families. Developers still make a profit so why can't it happen here? There are many excellent international examples and it is time that in the Inner West we follow suite.

- Without higher mandates developers will not build affordable housing.The percentage of affordable housing contributions for additional floorspace should be increased to 20%, in line with the Council's September 2025 commitment to the Inner West community.

- Developers will argue that anything over 2% affordable housing contributions will reduce their profitability and make many projects financially unviable. This may result in fewer total dwellings being built and the Policy could unintentionally reduce overall housing delivery.

- Dramatic loss of current affordable housing. With the implementation of the TOD, LMR and The Fairer Future Plan clear felling of streets of affordable housing, including Boarding houses, old units and houses there will be an enormous loss of current affordable housing.

- There's no mention of establishing planning controls to protect existing stock of current affordable housing and to offset the loss of low cost housing found in boarding houses, older style unit blocks and old homes which are often shared for student housing.

- Major concern is that most new development proposals are for "Build to Rent" where rents are 15-20% higher because they are in SCAPE developers words, "Premium rentals" with "wrap around services" thrown in. Housing costs are set to rise steeply in new developments

- Needs to be clarity about what "affordable housing " means. The Policy defines Affordable Housing as rental housing for eligible households on very low, low & **moderate** incomes, generally with rents set at no more than 39% of gross household income.

- Problem is that moderate income households, earning up to 120% of Greater Sydney median household income may be housed ahead of very low or low income earners experiencing housing stress or homelessness.

- Affordable housing contribution rates start at only 2% on certain developments, increasing over time but not known how long & final percentage.This will yield very little affordable housing.

- 10% affordable housing contribution on additional floor space is created through uplift (higher builds) beyond existing planning controls, however a higher percentage should apply to all builds.

- Affordable housing in developments are often referred to as rentals of 80% of Market value rental so how does this fit with the proposal?

- Inner Wests Council's study into housing in the Inner West several years ago showed that there will be no affordable housing by the market alone, no new build strata products would be affordable for purchase through the market for very low or low income groups. These groups are currently excluded through the market and will be more so in the future without strong planning intervention so it is imperative that the Policy is well researched and written well with practical solutions. and dramatically increased affording housing availability.

- 14. Policy states that Cash contributions are to be preferred by Council for affordable housing to be built elsewhere but how far from transport and services will these affordable housing residences be built, who will decide location, timing and delivery of housing.Will they even be built in the Inner West?

- It's important to note that Community Housing Providers do not want to manage apartments with high strata fees and expensive sinking funds for repairs (often for original building defects), understandably because of the high costs involved.

- There are too many unknown factors concerning, governance, accountability, transparency and no real yield data for the different providers. How will affordable housings contributions be calculated, who will determine if delivered as dwellings or cash?

- The Policy relies heavily on future development activity and risky as it depends on the strength of the market, interest of developers in building considering the high cost of land and construction.

- Changing zoning and increased heights in recent builds has yielded a relatively small amount of affordable housing. Considering the enormous increase in new dwellings over the last 15 years The current Inner West Affordable Housing Portfolio in April 2026 consisted of 2 studios, 1 bed apartments - 12, 2 bed apartments - 10 and 3 bed apartment - 1 with a total of 25 over the LGA.

- A supply of affordable housing is critical for an area to have a diverse and vibrant community, including local people with a range of employment skills, long term residents with strong connections with that community and accommodation for people on different incomes and at different stages of their life and career.It will be impossible to maintainer our richly diverse communities within the Inner West unless much more affordable housing is constructed.

## Recommendations:

**To ensure our most vulnerable community members are housed, the Affordable Housing Policy should:**

- Require a social impact assessment for all new areas to be rezoned and an inventory of current availability of affordable housing to ensure there is no net loss.

- Establish planning controls to protect existing stock of current affordable housing to offset the loss of low cost housing found in boarding houses, older style unit blocks and older shared rental houses.

- To resist the loss of affordable housing and encourage the retention affordable to maintain the socio-economic diversity within the LGA

- To offset the loss through increasing the percentage of Affordable Housing contributions for additional floorspace to 20%, in line with the Council's September 2025 commitment to the Inner West community.

- Targets for affordable housing should be set (as they are for dwelling numbers or future population growth) and within the targets there should be targets for rentals for family dwellings, single, aged and adaptable to maintain socio-economic diversity across the LGA

- Allocate a minimum of 75% of the proposed affordable housing to low and very low-income households.

- Mandate that rents charged must not exceed 30% of household income, to ensure the housing delivered is ACTUALLY affordable and not 80% of Market rental Value

- Make contributions available to all types and sizes of community housing providers (not just Tier 1), to provide the diversity and range of affordable housing solutions we need in the Inner West.

- Release the Draft Governance and Distribution Framework alongside the Affordable Housing Policy, providing people with:
    - clear timelines for the delivery of affordable housing (not just contributions)
    - dictating where housing will be provided (when contributions are made in cash rather than in-kind)
    - clarification on which body is accountable to the community (Council or CHP).

- Affordable housing should provide adequate parking, especially for Key Workers who may have to work shifts when public transport may not be available.

- Affordable Housing should be for perpetuity in order to help alleviate the Affordable housing crisis

- Affordable housing dwellings should be integrated into mixed communities to avoid concentrations of disadvantage and provide access to transport, employment and services.

- Local Government has little opportunity to deliver affordable housing, however it should increase pressure on State and Federal Governments to provide more Public Housing. This pressure should apply particularly to the use of Government land, such as the dive site at Camperdown and at the Bays Precinct.50% of all these dwellings should be dedicated to affordable housing.

- Demolishing and developing existing carparks will impact heavily on the viability of the many independent small businesses and town centres and does not appear to be the best way for Council to develop affordable housing. Council car parks at Petersham and Leichhardt could be used or other sites should be investigated.

- An inventory of Vacant housing should be made and ways of encouraging owners to put them back into housing stock be investigated Penalties such as triple rate payments have been tried elsewhere.

- Investigate ways to reduce the impact of short term rentals such as Airbnb on rental availability and costs and encourage owners to return these rentals to long term rentals.Limiting the number of days a dwelling can be used for short term rentals has been introduced in some municipalities.
- Need to consider the economic unsustainability of pricing families and key workers (child & aged care, nurses, teachers, police, emergency, retail, transport council, service industry and hospitality workers) out of the city. research highlights the

importance of affordable, stable housing to the economic and social well being but it has reached crisis point in the Inner West.

Conclusion

I fully support the principle increasing genuinely affordable housing in the Inner West, however I believe that the draft policy needs to be strengthened and requires:

- Greater transparency regarding feasibility assumptions;
- Stronger guarantees for low and very low income households;
- Higher contribution rates for all new developments;
- Release of the Governance and Distribution Framework before adoption;
- More research on what works in other global cities;
- Stronger accountability measures and
- A more open approach to consultation with community, and input from Community Housing Providers, renters and Housing action groups rather than just developers and consultants who may not be familiar with the Inner West affordable housing needs

It is imperative that this Policy is written in order to achieve the best outcomes for affordable housing in the Inner West.

Yours faithfully

[redacted]

**Submission to Inner West Council Draft Affordable Housing Policy 2026**

To: Inner West Council
Subject: Draft Affordable Housing Policy 2026
Date: 1st June 2026

From: [redacted]

Dear Sir/Madame

As Housing Affordability is the reason given for many significant planning changes, it's important that this is a reality.

I would like the Draft Affordable Housing Policy to provide truly affordable housing for low- and medium-income people in the Inner West.

My submission aims to achieve this objective by asking that this draft policy:

- Ensure Affordable Housing is allocated to Low Income Households
- Has Affordability Housing Contribution in proportion to the planning benefits granted to property owners
- Publish Governance Framework of Community Housing Providers
- Have a mix of Community Housing Providers types
- Resolve issues with using Council (and indirectly resident) owned property for Affordable Housing

**Ensure Affordable Housing is allocated to Low Income Households**

The policy defines Affordable Housing as rental housing for eligible households on very low, low and moderate incomes, generally with rents set at no more than 30% of gross household income. However, the policy also includes moderate income households earning up to 120% of Greater Sydney median household income.

This means eligibility may extend to households on comparatively high incomes relative to many residents currently experiencing severe housing stress.

I am concerned that, without stronger allocation requirements, a significant proportion of housing delivered under the policy may primarily cater to moderate income households rather than those on very low or low incomes.

I ask Council consider:

- Requiring a minimum proportion of affordable housing to be allocated to low and very low-income households.
- Ensure rents cannot exceed 30% of household income.
- Publish expected income bands for future affordable housing tenants.

**Affordability Housing Contribution in proportion to the planning benefits granted to property owners**

Planning changes that rezone a property and allow a higher development can create substantial additional land value and development value. In addition, if Affordable Housing is provided, there is an Affordable Housing 'bonus' of permission to build more floors. It's important that the Affordable Housing Contribution reflects the additional development value being granted.

The draft policy proposes:

- A base contribution rate beginning at 2% on certain developments, increasing over time; and
- A 10% affordable housing contribution on additional residential floorspace created through uplift beyond existing planning controls.

This 10% contribution applies only to additional uplifted floorspace above existing controls, therefore 10% of a small amount of floorspace. Affordable Housing is often given as the reason for a planning change but these headlines don't explain it is a small amount of floorspace.

Council's September 2025 resolution referenced inclusion of a 20% affordable housing contribution for additional proposed floorspace in upzoned areas, based on City of Sydney principles and subject to Stage 2 investigations.

The February 2026 Council agenda papers also note that the City of Sydney currently applies varying uplift contribution rates of up to 21%, with a proposal underway to rationalise these to a flat 20% uplift contribution.

Given this background, I believe Council should provide clearer public explanation as to:

- Why the proposed Inner West uplift contribution has reduced from the previously discussed 20% to 10%, and
- Whether a higher contribution rate could still support viable development outcomes.

**Publish Governance Framework of Community Housing Providers**

The policy states that Affordable Housing contributions may ultimately be distributed through arrangements with Community Housing Providers (CHPs), supported by a future Governance and Distribution Framework.

However, the Framework itself has not yet been released.

This creates concern because residents are effectively being asked to support the collection and transfer model before the detailed governance, accountability and distribution arrangements are publicly available.

I therefore request Council:

- Publicly release the Governance and Distribution Framework before finalising the policy;
- Publish Reports measuring success of CHPs,
- Clarify roles and responsibilities between Inner West Council and CHP that answers who controls decisions regarding location, timing and delivery of housing; and
- Clarify what safeguards exist to ensure funds remain within the Inner West and are used for their intended purpose.

**Have a mix of Community Housing Providers types**

The draft policy appears to strongly favour a nominated Tier 1 CHP model.

While Tier 1 providers clearly play an important role in delivering larger-scale projects, there are also many Tier 2 and specialist providers operating successfully within the Inner West delivering smaller-scale and more targeted housing outcomes, including women's housing, Aboriginal housing, disability housing and transitional accommodation. An example of a successful small Community Housing Provider is on the corner of Sloane and Kensington Rd. in Summer Hill.

The City of Sydney approach to CHP selection demonstrates that competitive and diversified models can support innovation, diversity and potentially faster delivery outcomes

I submit that Council should have an open and flexible model that allows a broader range of eligible CHPs to participate in delivering affordable housing outcomes.

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**Resolve issues with using Council (and indirectly resident) owned property for Affordable Housing**

There are unresolved issues regarding the redevelopment of existing public assets, including public car parks and Council-owned land.

Where public car parks or other public assets are proposed to be used for affordable housing, there is currently limited clarity regarding:

- Who funds replacement parking or infrastructure;
- Whether those costs are borne by the Community Housing Provider, Council or ratepayers;
- Whether replacement infrastructure is guaranteed by its inclusion in planning documents, e.g. LEP, Draft Parking Strategy and DCP;
- What commercial, leasing or ownership arrangements may ultimately apply to redeveloped public land or assets; and
- Whether substantially higher density is ultimately required to make such projects financially viable.

Given the importance of public parking and local infrastructure to many Inner West town centres and businesses, residents deserve greater transparency regarding the financial, governance and delivery implications of these proposals before major public assets are transferred or redeveloped.

The draft Affordable Housing Policy is important is ensure the Inner West retains its mix of people with diverse income and occupations which is part of the Inner West character we love.

[redacted]

# Affordable Housing Inner West

I am a renter in Marrickville.  I'm a wheelchair user.  I have rented and lived on moderate to very low incomes throughout my adult life.  I am 57 years old and do not expect to ever own my own home.

I find it interesting that the Nightingale development is on the front cover of the draft policy under discussion.

Nightingale is not genuinely affordable. It's slightly cheaper than the over inflated market, not 25 or even 30% of the tenant's incomes.

**Recommendation:** Affordable housing should be defined as no more than 25% of a household's budget.  Housing that is somewhat discounted in an inflated market rate still puts tenants under financial stress.

**Recommendation:** Developers should require explicit permission to build unAffordable housing.

I support Council's decision to require that affordable housing is affordable in perpetuity (unlike Nightingale).

I note Council's requirement that dwellings must "Consist of dwellings constructed ,,,to a standard that is consistent with other dwellings in the area".  Council should ensure this is the case inside the building as well as outside.

Nightingale consists of micro-apartments.  The private living spaces inside are so tiny that it's got more in common with a group home or a residential college than an apartment building.

Affordable housing must have a minimum living space that is big enough for a couple to share. Human beings are relational.  Single people should not have to move in order to live with a partner.  There must be enough room to store belongings and have a couch, a table and a bed. The kitchen must have space for a fridge that is expected to store fresh food, and adequate food preparation space.  Anything referred to as an "apartment", rather than a room, must have reasonable private amenities.

I've stayed in hotel rooms that would be easier to live in than the micro-apartment we inspected at Nighgtingale.  The rent might be lower than a nearby property but we chose not to move in because living in a space that small seemed very likely to result in spending more on eating out and spending time outside home.  The rent would be lower but the cost of living could easily be higher than living in a conventional apartment. It did not seem likely to be the affordable living option it was advertised as.  This is supported by research, "The intended occupants of micro-apartments are young, mobile urban professionals who spend a limited amount of time in their dwelling and instead opt to socialise and eat outside their home"[i].   Given that we can't afford to eat out a lot, I was also concerned about our long term mental health. This concern is also backed up by the literature. "Urist (2013) explains that if occupants other than single person households were to reside in a micro-apartment, they would be particularly susceptible to the negative mental health impacts associated with living in cramped conditions"[ii].

While there is limited literature around the occupation of micro apartments, council should note that in a US study conducted by the Urban Land Institute, "micro-apartment respondents were less likely to renew their lease compared to conventional renters, with only 37 percent of occupants stating that they would consider lease renewal".[iii]

Micro apartments also seem like very dangerous places to live should there be another pandemic.

**Recommendation:** Council should avoid approving any further micro apartments.

We are in a housing crisis. We don't need more housing that's only available to people on high incomes. There is a significant shortage of disability accessible housing on the private rental market. (I've been a tenant all my adult life and never once inspected a private rental with a wheelchair accessible bathroom.) Disabled people are more likely than the general population to live on lower incomes. "In 2018, 38% of households with a person with disability had low level of household income, compared with 18% of households without disability"[iv]. Disabled people and our families are less likely to have the resources to buy our own homes. Affordable accommodation also needs to be disability accessible.

Disabled people live a variety of different lives. Some live with friends or family members who don't experience disability.

Specialist Disability Accommodation relies on a high level of occupancy by disabled people to maximise the financial return. It congregates disabled people together for the sake of profit and fails to allow for the fact that people with disability live in a variety of social relationships, just as everybody else does. It doesn't cater for families where one family member has access needs. It does not accommodate people whose access needs occur in old age. It does not accommodate people who have access needs but don't need to engage at least eight hours a week of paid support.

Congregating disabled people together works against social inclusion and a diverse society. When disabled people are all forced to live together, based on shared access needs, not social connection, they are othered, as "those people" from "that place", "you know the one". When disabled people live in the same apartment complexes as everyone else, we are accepted and included as part of our local communities.

The lack of accessible housing in the private rental market in NSW means that the default is, if you need an accessible home, you move to SDA (if you're eligible), accessible public/community housing (if you are eligible and can find it) or a nursing home.

You may not need 24/7 care but if you need accessibility and you're a tenant, you could very easily be pushed into a nursing home. Living in a nursing home means you can't work (even if you otherwise could) and you are isolated from you from community.

People deserve accommodation that enables them to be and remain connected to their community.

Recommendations from the recent inquiry into aged care services are relevant here:

"12.2 The Australian Government should develop building design standards for residential housing that meet the access and mobility needs of older people.

"12.3 The Council of Australian Governments, within the context of its agreed housing supply and affordability reform agenda, should develop a strategic policy framework for ensuring that an adequate level of affordable housing is available to cost effectively meet the demands of an ageing population".[v]

**Recommendation:** Make Affordable, disability accessible housing the standard.

**Recommendation:** New builds must be all be built to Gold standard[vi] disability access standards.

**Recommendation:** Council must seek and preference providers who provide non-segregated and non- congregated housing that is inclusive of disabled people ie: housing where disabled people can live alongside those without disability, if we choose, rather than being congregated together on the basis of disability.

**Further Recommendations:**

- Increase the percentage of Affordable Housing contributions for additional floorspace to a minimum of 50%
- Allocate a minimum of 70% of the Affordable housing to low and very low income households, until such time as there are insufficient numbers of low and very low income households to fill the available Affordable housing
- Make contributions available to all types and sizes of community housing providers (not just Tier 1), to provide the diversity and range of affordable housing solutions we need in the Inner West.
- Seek opportunities to engage housing providers who are not funded by faith communities, reflecting the fact that almost 10 million Australians identify as having no religion.[vii]
- Release the Draft Governance and Distribution Framework alongside the Affordable Housing Policy, providing:
    - clear timelines for the delivery of affordable housing (not just contributions),
    - dictating where housing will be provided (when contributions are made in cash rather than in-kind)
    - clarification on which body is accountable to the community (Council or CHP)

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[i] Clinton, Emma Lucy, *Micro-apartments : housing affordability solution or the erosion of amenity standards?* University of New South Wales *2019 p*59 accessed 5 June 2026 https://unsworks.unsw.edu.au/handle/1959.4/61958
[ii] Urist, J 2013, 'The Health Risks of Small Apartments', The Atlantic, 19 December 2013, as cited in Clinton, Emma Lucy, 2019
[iii] Clinton, Emma Lucy, 2019 p55
[iv] People with disability in Australia, Australian Institute of Health and Welfare https://www.aihw.gov.au/reports/disability/people-with-disability-in-australia/contents/income-and-finance/income accessed 6 June 2026

[v] Productivity Commission 2011, Caring for Older Australians, Report No. 53, Final Inquiry Report, Canberra Vol 1, pLXXIII
[vi] Livable Housing Design Guidelines https://www.achc.org.au/wp-content/uploads/Liveable-Housing-Silver-Gold-and-Platinum-Standards.pdf
[vii] Australian Bureau of Statistics (4 July 2022), *Religious affiliation in Australia*, ABS Website, accessed 5 June 2026

**Nigel Riley**

**From:** [redacted]
**Sent:** Tuesday, 2 June 2026 8:07 PM
**To:** Inner West Planning
**Subject:** Draft affordable housing policy

[redacted]

Every time the Inner West Council mentions affordable housing it seems to be a smaller, meaner, lesser version. Lofty principles in the first iteration of "Our [so-called] Fairer Future" about identifying land which could be transferred to the state housing department for public housing have dwindled to nothingness. The trend is always privatisation: More bucks for developers, less affordable for tenants. The policy we are commenting on now certainly fits that description. My comments on what has been proposed and what should happen are these:

- IWC should increase the percentage of Affordable Housing contributions for developers getting additional floorspace to 20%, in line with the Council's September 2025 commitment to the Inner West community.
- This is a bare minimum! Council should allocate a minimum of 50% of the affordable housing to low and very low-income households.
- Mandate that rents charged must not exceed 30% of household income, to ensure the housing delivered is ACTUALLY affordable.
- Make contributions available to all types and sizes of community housing providers (not just Tier 1), to provide the diversity and range of affordable housing solutions we need in the Inner West. Rumours are that the single provider council has in mind is the worst one in Sydney.
- Release the Draft Governance and Distribution Framework alongside the Affordable Housing Policy, providing:
    - clear timelines for the delivery of affordable housing (not just contributions)– This is very important. Money being tucked away doesn't put roofs over the heads of the homeless and the about to be homeless.
    - so the guidelines should also be

      dictating where housing will be provided (when contributions are made in cash rather than in-kind)
    - moreover, clarification should be made on which body is accountable to the community (Council or CHP).

Looking forward to a revised plan that is a lot fairer than currently proposed.
Sincerely,

[redacted]

**Nigel Riley**

**From:** [redacted]
**Sent:** Sunday, 7 June 2026 5:32 PM
**To:** Inner West Planning
**Subject:** Response to IWC's draft affordable housing policy

[redacted]

Comments, input – response to IWC's Draft affordable housing policy

I am long-term resident passionate about the virtues of this area, which include diversity of residents and businesses. I have lived in the IWC municipality for more than 40 years and have seen many changes in this area. The street I live in now was once a much richer in terms of ethnic diversity. It is less affordable for both buyers and renters, but that change can be generalized across most of urban Australia. State and federal governments have dropped the ball big time with regard to public housing. I was appalled to read in The Guardian last year that the NSW housing minister has overseen the sale of suitable residential land, owned by the Crown i.e. public land, to private ie for-profit developers.

I have no quarrel with most of the Key Principles that Council proposes for affordable housing, ie

• Maintain a socially diverse community.

• Be delivered through transparent and equitable planning mechanisms.

• Be secured in perpetuity wherever possible.

• Be located close to jobs, transport and services.

• Be integrated into developments rather than segregated.

I have some problem with the aim expressed as

• "Be managed by appropriate community housing providers or other suitable entities." It is a moot point to determine which are the most appropriate community housing providers. Some have very bad reputations for managing tenants who have uncertain income and end up being tormented by a Robodebt style accounting /Administrationsystem that penalizes them unfairly for variable income. I'm alarmed at the prospect of one large single provider managing all of the actual affordable housing which is being built.
I'm concerned that developers won't integrate the affordable component into their dwellings but just handover cash to council. This will lead to siloing instead of social integration of the affordable housing development.

I do not however believe that what is outlined in the Draft Policy will deliver affordable housing aligned to these principles.

The draft policy does not go far enough In terms of asking for more from developers for affordable housing.

The percentage of affordable housing contributions from developers for additional floorspace should be increased to 20%, as stated In September 2025 by the Council in September 2025.

Once the TOD and Fairer Future Plan DAs start coming on-stream there will be a huge net loss of currently affordable housing, eg existing low-rise unit dwellings, boarding houses, and multi-bedroom suburban houses which are share-homes to flatmates.

There's  evidence that many new DAs are proposing Build to Rent/Coliving multi dwelling structures where the nstitutional owners will be charging rents 15 to 20% higher than existing rental levels.

Residents near one such development underway in St Peter's are very concerned that the so-called built to rent structure will turn into massive short-term accommodation, especially since it is so close to the airport. It will be a de facto hotel at fancy prices.

More clarity is requiredabout what "affordable housing " means and who will be eligible for it. The Policy definition of Affordable Housing as rental housing for eligible households on very low, low & moderate incomes, generally with rents set at no more than 39% of gross household income.Yet moderate-income households, earning up to 120% of median household income may be housed ahead of very low or low income earners experiencing housing stress or homelessness.

The draft Policy states that cash contributions are to be preferred by Council for affordable housing to be built elsewhere but how far from transport and services will these affordable housing residences be built, who will decide location, timing and delivery of housing. Will they even be built in the Inner West? Will they even be built at all?

In the initial aims for Our Fairer Future plan, it was stated that council should identifty council-owned land which would be suitable for public housing. Has this happened? No, it's been dropped. But serious investigation given to all proposals for increasing public housing, and stringent contributions standards should be imposed on developers so that public or other social housing keeps pace with the loss of existing low-cost housing which the Plan encourages. Otherwise, why bothe? many economists argue there is no shortage of housing, there is a shortage of affordable housing because of the way successive governments have structured housing policy. If we build more of the same for the sake of it, yet kick out people in existing affordable housing, we'll be going backwards big-time.

A supply of affordable housing is critical for an area to have a diverse and vibrant community. Lobby the State Government to get backf to its core role of providing public housing. It would be my developer of choice.

Sincerely,

[redacted]

**Submission to Inner West Council Draft Affordable Housing Policy 2026**

To: Inner West Council
Re: Draft Affordable Housing Policy 2026
Date: 31st Maty 2026

I support the objective of increasing genuinely affordable housing in the Inner West and recognise that housing affordability is a serious and growing issue for many residents.

However, after reviewing the Draft Affordable Housing Policy, I believe there are several important areas where the policy requires further clarification, stronger safeguards and greater transparency before it is finalised.

**1. Clarification of what "Affordable Housing" means in practice**

The policy defines Affordable Housing as rental housing for eligible households on very low, low and moderate incomes, generally with rents set at no more than 30% of gross household income.

However, the policy also includes moderate income households earning up to 120% of Greater Sydney median household income.

This means eligibility may extend to households on comparatively high incomes relative to many residents currently experiencing severe housing stress.

I am concerned that, without stronger allocation requirements, a significant proportion of housing delivered under the policy may primarily cater to moderate income households rather than those on very low or low incomes.

I therefore request Council consider:

- Requiring a minimum proportion of affordable housing to be allocated to low and very low income households.
- Strengthening requirements so rents cannot exceed 30% of household income.
- Providing greater transparency regarding expected income bands for future affordable housing tenants.

**2. Affordable housing contribution rates and public benefit**

The draft policy proposes:

- A base contribution rate beginning at 2% on certain developments, increasing over time; and
- A 10% affordable housing contribution on additional residential floorspace created through uplift beyond existing planning controls.

Many residents may not realise that the 10% contribution applies only to additional uplifted floorspace above existing controls.

Importantly, Council's September 2025 resolution referenced inclusion of a 20% affordable housing contribution for additional proposed floorspace in upzoned areas, based on City of Sydney principles and subject to Stage 2 investigations.

The February 2026 Council agenda papers also note that the City of Sydney currently applies varying uplift contribution rates of up to 21%, with a proposal underway to rationalise these to a flat 20% uplift contribution.

Given this background, I believe Council should provide clearer public explanation as to:

- Why the proposed Inner West uplift contribution has reduced from the previously discussed 20% to 10%;
- The assumptions underpinning the feasibility analysis;
- What level of developer margin Council considers "feasible"; and
- Whether a higher contribution rate could still support viable development outcomes.

This is an important public policy issue because rezonings and additional floorspace provisions can create substantial additional land value and development uplift. It is therefore reasonable for the community to ask whether the public benefit being returned is proportionate to the additional development rights being granted.

**3. Governance and accountability concerns**

The policy states that Affordable Housing contributions may ultimately be distributed through arrangements with Community Housing Providers (CHPs), supported by a future Governance and Distribution Framework.

However, the Framework itself has not yet been released.

This creates concern because residents are effectively being asked to support the collection and transfer model before the detailed governance, accountability and distribution arrangements are publicly available.

I therefore request Council:

- Publicly release the Governance and Distribution Framework before finalising the policy;
- Provide clear reporting and accountability requirements;
- Clarify who ultimately controls decisions regarding location, timing and delivery of housing; and
- Clarify what safeguards exist to ensure funds remain within the Inner West and are used for their intended purpose.

**4. Diversity of Community Housing Providers**

The draft policy appears to strongly favour a nominated Tier 1 CHP model.

While Tier 1 providers clearly play an important role in delivering larger-scale projects, there are also many Tier 2 and specialist providers operating successfully within the Inner West delivering smaller-scale and more targeted housing outcomes, including women's housing, Aboriginal housing, disability housing and transitional accommodation.

I encourage Council to consider a more open and flexible model that allows a broader range of eligible CHPs to participate in delivering affordable housing outcomes.

The City of Sydney approach to CHP selection demonstrates that competitive and diversified models can support innovation, diversity and potentially faster delivery outcomes.

**5. Public asset and replacement infrastructure concerns**

The policy and broader public discussion around affordable housing projects also raise unresolved questions regarding the redevelopment of existing public assets, including public car parks and Council-owned land.

Where public car parks or other public assets are proposed to be repurposed for affordable housing, there is currently limited clarity regarding:

- Who funds replacement parking or infrastructure;
- Whether those costs are borne by the Community Housing Provider, Council or ratepayers;
- Whether replacement infrastructure is guaranteed by its inclusion in planning documents, e.g. LEP, Draft Parking Strategy and DCP;
- What commercial, leasing or ownership arrangements may ultimately apply to redeveloped public land or assets; and
- Whether substantially higher density is ultimately required to make such projects financially viable.

Given the importance of public parking and local infrastructure to many Inner West town centres and businesses, residents deserve greater transparency regarding the financial, governance and delivery implications of these proposals before major public assets are transferred or redeveloped.

**Conclusion**

I support the principle of increasing genuinely affordable housing in the Inner West.

However, I believe the draft policy requires:

- Stronger guarantees for low and very low income households;
- Clearer justification for the proposed contribution rates;
- Greater transparency regarding feasibility assumptions;
- Release of the Governance and Distribution Framework before adoption;
- Stronger accountability measures; and
- A more open approach to participation by different types of Community Housing Providers.

Given the long-term implications of this policy for both housing outcomes and the future character of the Inner West, I encourage Council to continue refining the policy before final adoption.

Kind regards

[redacted]

# Submission on the Draft Inner West Affordable Housing Policy

## Executive Summary

This submission strongly supports the Draft Inner West Affordable Housing Policy. The Policy represents a significant evolution in Council's affordable housing framework by establishing a strong, clear link between planning created value and affordable housing outcomes.

The submission supports the overall direction of the Policy and recommends some refinements to strengthen outcomes relating to affordable housing in perpetuity, Community Housing Providers, government-owned land, State-led planning pathways, the timing of the Affordable Housing Contribution Scheme and a Council and Community Housing Provider Governance and Delivery Framework.

## Strategic Context

The Inner West faces acute housing affordability pressures. Increasing housing costs are affecting essential workers, key service providers, younger households, people with disabilities, older residents and many moderate-income earners. Affordable housing should be regarded as essential community infrastructure supporting economic productivity, workforce retention and social diversity.

The Inner West Council is currently reviewing its affordable housing policy, updating the previous policy adopted in 2022.

While this update is a positive one, incorporating a broad-based affordable housing contribution rate on upzoned land across the LGA, this submission highlights some specific recommendations regarding:

- The reduction of the affordable housing contribution rate from the initially proposed 20% to 10%
- The plan to distribute all contributions to only one Tier 1 Community Housing Provider.

## General Support for the Draft Policy

The Draft Policy contains many elements of leading practice including affordable housing in perpetuity, recognition of Community Housing Providers, planning uplift value capture principles, municipality-wide application and stronger governance arrangements.

## 1. Affordable Housing in Perpetuity

Affordable housing created through planning uplift represents a unique opportunity to grow a scarce public benefit – affordable rental housing. Once dwellings leave the affordable housing system they are effectively lost to future generations. Council should continue to prioritise affordable housing retained in perpetuity.

## 2. Community Housing Providers

Registered Community Housing Providers provide long-term stewardship, access to government funding, borrowing capacity and specialist tenancy management. Affordable housing assets transferred to CHPs can support additional affordable housing outcomes locally through reinvestment and leveraging.

## 3. Government-Owned Land and Strategic Precincts

Government-owned land and precincts such as Bay West present a unique opportunity to secure greater affordable housing outcomes because public agencies can directly retain and reinvest planning created value. Such sites can be expected to meet or exceed outcomes sought from comparable private developments.

## 4. Alignment with SSD and Housing Delivery Authority Reforms

Affordable housing outcomes should not depend on whether a development proceeds through a local or State planning pathway. Council should advocate for consistent affordable housing expectations across SSD, Housing Delivery Authority and local planning processes.

## 5. Timing, Value Capture and Affordable Housing Contribution Schemes

The timing of affordable housing contribution schemes is arguably one of the most important determinants of affordable housing outcomes arising from the planning system. They are an important key part of maximizing contributions while ensuring development feasibility.

While considerable attention is often given to testing contribution rates, experience suggests that the timing of a scheme's introduction may be equally important.

Affordable housing contribution schemes are fundamentally a form of value capture. They seek to ensure that part of the increase in land value created by public planning decisions is shared with the broader community through affordable housing outcomes. The underlying principle is that planning uplift is created through public intervention and prior community investment in the surrounding neighbourhood, rather than private investment alone.

A critical challenge arises when affordable housing requirements are introduced after planning uplift has already been announced and anticipated by the market. Once a rezoning, TOD precinct, Housing Delivery Authority proposal or urban renewal project becomes publicly known, anticipated development potential is usually quickly capitalised into land values.

At that point, a significant proportion of the planning-created value may already have been captured through land speculation rather than retained for public benefit. Introducing affordable housing requirements after land values have adjusted become more difficult because contribution obligations are perceived as reducing feasibility.

By contrast, where affordable housing contribution requirements are established before planning uplift occurs, markets and stakeholders are generally able to adjust. Developers, landowners and financiers incorporate obligations into sales expectations, acquisition decisions and residual land value calculations from the outset.

This principle has increasing relevance within NSW through Housing Delivery Authority pathways, State Significant Development reforms, Transport Oriented Development precincts and major government-led urban renewal projects.

Government-owned land presents particularly strong opportunities for value capture because public agencies can with fewer market constraints readily apply government policies to retain and reinvest planning-created value directly into affordable housing as essential infrastructure. This provides a stronger rationale for ambitious affordable housing outcomes on public land, including Bay West.

There are also important precedents supporting stronger affordable housing outcomes associated with major urban renewal projects, Community Housing Provider partnerships, Landcom projects and government-led renewal initiatives.

For these reasons, Council should consider a tiered affordable housing contribution framework that explicitly recognises the relationship between: the timing of planning uplift; market land prices; and value capture opportunities at hand. It can distinguish between past contribution settings already established in law and the new opportunities in the future. An indicative example of such a contribution framework is provided at Appendix A.

While superficially appearing more complex, this tiered contribution approach will ultimately be easier and simpler to implement as an adopted Affordable Housing Contribution Scheme. Hopefully it would also gain ready approval of the Department of Planning, Housing and infrastructure due to its alignments with Government policy.

In any place in the Inner West Local Government Area, at any given time, there will be a singular contribution rate applying. Due to careful tailoring of the rate, it should not be vulnerable to challenge by a developer as unviable, as the rate will be always have been calibrated to the opportunity to raise the designated contribution related to a combination of factors: rezoning uplift, public or private land ownership, the precinct's amenity and past planning decisions.

In practical terms, the early establishment of a comprehensive LGA wide Affordable Housing Contribution Scheme represents one of the most effective mechanisms available to improve affordable housing outcomes without requiring substantial additional government expenditure.

## 6. Governance and Reporting

The effectiveness of the Policy should ultimately be measured by affordable dwellings delivered rather than contributions collected. Council should publish annual reporting on contributions received, dwellings secured, dwellings completed, CHP partnerships and progress towards affordable housing targets.

## 7. Community Housing Provider Governance and Delivery Framework

### 7.1 Merit-Based Selection of Tier 1 Community Housing Providers

Merit-based selection of Community Housing Providers will be critical to maximising the long-term public value of affordable housing assets. While Tier 1 Community Housing Providers generally meet high regulatory standards, they vary significantly in scale, financial capacity, development expertise, tenant service models, geographic presence, partnership experience and ability to leverage additional funding. A transparent merit-based selection process enables Council to assess providers against governance capability, financial strength, delivery performance, commitment to affordable housing in perpetuity, capacity to attract co-investment and alignment with Council's strategic objectives.

### 7.2 Periodic Performance Reviews

Affordable housing partnerships should not be viewed as a set-and-forget arrangement. Affordable housing assets generated through planning uplift represent significant and enduring public value. Council therefore has a legitimate interest in ensuring these assets continue to deliver optimal housing outcomes over time. A formal performance review every five years would encourage continuous improvement, strengthen accountability and ensure affordable housing assets continue to achieve the greatest possible community benefit. Where performance is demonstrably unsatisfactory and improvement opportunities have not been achieved, Council should retain the ability to direct future financial contributions to an alternative registered Tier 1 Community Housing Provider through a transparent merit-based process.

### 7.3 Preferred Delivery Partner Model

Council should consider balancing provider diversity with the efficiency benefits of concentrating affordable housing financial contributions with a high-performing Tier 1 Community Housing Provider. Directing the majority of contributions through one preferred provider can radically simplify and streamline governance arrangements, improve accountability, reduce transaction costs and create greater certainty for the designated housing provider when planning affordable housing projects. A predictable pipeline of contributions allows a provider to acquire strategic sites, build development pipelines, leverage debt and grant funding and deliver affordable housing at greater scale. In the neighbouring City of Sydney, City West Housing has successfully demonstrated and delivered these benefits from this approach.

## 7.4 Affordable Housing Innovation Fund

To support innovation and housing diversity, Council could allocate up to 10 per cent of affordable housing financial contributions to an Affordable Housing Innovation Fund. The fund could support registered rental housing co-operatives, community-led housing initiatives, Aboriginal community housing partnerships and other innovative affordable housing delivery models. This approach would allow approximately 90 per cent of contributions to be directed through one major Tier 1 Community Housing Providers to provide scale while maintaining support for innovation, housing diversity and emerging community-based housing models.

## Key Recommendations

1. Retain affordable rental housing in perpetuity.
2. Prioritise ownership and management by registered Community Housing Providers.
3. Establish minimum affordable housing outcomes for major uplift areas.
4. Adopt a tiered, place sensitive affordable housing contribution framework across the LGA that easily incorporates any future changes to precincts and anticipates future planning unspecified uplift at some stage to which contributions will apply.
5. Align affordable housing requirements with recent SSD and Housing Delivery Authority reforms to affordable housing provision, where applicable.
6. Apply consistent affordable housing expectations to government-owned land including Bay West.
7. Strengthen governance of alternative public benefit provisions.
8. Focus on affordable housing delivery outcomes and annual reporting.
9. Establish periodic five-year performance reviews for Community Housing Provider partnerships and retain the ability to direct future affordable housing contributions to alternative providers where performance is unsatisfactory.
10. Establish a preferred delivery partner framework supported by one Tier 1 Community Housing Provider and create an Affordable Housing Innovation Fund with up to 10 per cent of contributions dedicated to registered rental housing co-operatives and other innovative affordable housing models.

## Conclusion

Thank you for the opportunity to make a submission on this important policy review.

The Draft Inner West Affordable Housing Policy represents a significant evolution in Council's affordable housing framework and a practical example of how local government can contribute to housing affordability while supporting NSW and Commonwealth Government housing objectives.

Affordable housing contributions should be viewed as infrastructure for community sustainability in the same way that planning systems fund roads, parks, drainage and community facilities.

The greatest affordable housing opportunities often arise before planning uplift occurs. Establishing (and gazettal of) the affordable housing contribution scheme ahead of future rezonings and strategic planning initiatives may represent the single most effective mechanism available to maximise long-term affordable housing outcomes for the Inner West community.

## Appendix A – Timing and Value Capture Framework

One of the lessons from the operation of affordable housing contribution schemes in NSW and internationally is that timing matters almost as much as the contribution rate itself.

Once a major rezoning, TOD announcement, Housing Delivery Authority proposal, precinct plan or strategic investigation becomes public, a significant portion of the future uplift is often capitalised into land values. Landowners adjust expectations, option agreements are struck, sites trade at higher values and feasibility assumptions become anchored around the anticipated uplift. At that point, introducing a new affordable housing contribution can be portrayed as threatening feasibility because part of the uplift has already been captured by landowners rather than the community.

By contrast, where an affordable housing contribution scheme is established before uplift occurs, the contribution becomes embedded in market expectations. Developers and landowners price sites accordingly, and a greater proportion of planning-created value can be captured for public purposes without affecting project viability.

The draft policy currently focuses on how much affordable housing should be secured. The bigger strategic question is often when the contribution obligation is established.

In many cases:

- A 5% contribution imposed after rezoning may be harder to achieve than;
- A 10% or even 15% contribution identified before rezoning.

This driver is increasingly recognised by the NSW Government in relation to value capture, precinct planning and infrastructure contributions.

***This submission recommends (Recommendation 4) establishing a tiered Affordable Housing Contribution Framework linked to the timing of planning uplift***

The effectiveness of affordable housing contribution schemes depends significantly on when they are established relative to planning uplift.

Where affordable housing contribution requirements are known or foreshadowed in policy in advance of rezonings or increases in development capacity, land markets can adjust accordingly, and a greater share of planning-created value can be captured for affordable housing without adversely affecting development feasibility.

Conversely, where affordable housing requirements are introduced after rezonings have been announced, gazetted or substantially reflected in land values, the ability to secure higher contribution rates may be constrained because the anticipated uplift has already been capitalised into land prices.

Council should therefore adopt a tiered and layered policy framework that recognises the different circumstances that will apply to existing and future uplift areas.

Under such a framework:

- Higher affordable housing contribution rates should apply to future rezonings, precinct plans and planning proposals where affordable housing requirements are established before significant value uplift occurs. As a minimum, the contribution applying would always accompany an announcement of a new rezoning of a precinct. This would be similar to the arrangements used by DPHI for Tier 1 TOD locations, where contributions were incorporated into land acquisition decisions and residual land values from the outset.

- Existing affordable housing contribution rates should generally continue to apply within established development precincts where planning assumptions have already been embedded in land values.
- Areas without additional planning uplift should be subject to lower contribution rates or existing contribution arrangements.
- Some transitional or grandfathering provisions could provide certainty for landowners and developers while preserving Council's ability to secure stronger affordable housing outcomes from future rezonings.

This approach would improve equity, increase transparency, enhance feasibility certainty and maximise the community's ability to capture planning-created value for affordable housing purposes. It should also streamline project assessments and approvals as contribution requirements will be clear and straight forward.

For Inner West Council, this issue is particularly important given the likelihood of future rezonings associated with:

- Potential changes to Our Fairer Future
- Potential changes to Bay West;
- Future Transport-Oriented Development precincts;
- Housing Delivery Authority proposals;
- Government land renewal projects;
- NSW strategic centres and station precincts.

The submission argues that the Draft Policy should create a framework that allows Council to progressively increase contribution rates in future uplift areas where value capture opportunities have not yet been lost through land speculation. From a policy perspective, this may be the single strongest mechanism available to improve affordable housing outcomes without requiring additional government funding.

**Indicative Contribution Framework**

| Category | Timing of Scheme | Indicative Contribution Rate |
|---|---|---|
| Future rezonings and strategic uplift areas | Established before uplift occurs | 10–15% of additional residential GFA |
| Government-owned land and major renewal precincts | Established through precinct planning | Minimum 15%, target 20%, aspiration 30% |
| Existing rezoned precincts | Grandfathered arrangements | Existing adopted rates |
| Modest uplift areas | Site-specific assessment | 3–5% of additional residential GFA |
| Little or no uplift | Existing arrangements | 2% to existing rates |

# Inner West Council Draft Affordable Housing Policy

*By* [redacted]

I live in public housing in Dulwich Hill and am on the Disability Support Pension, suffering complex health issues that leave me unable to work consistently. I am also a Board Member for Shelter NSW, a Volunteer Coordinator with Better Renting, and Co-Chair of the Sydney Alliance Inner-West & Metro People's Action Community Team (IMPACT). This submission is in a personal capacity.

My health leaves me with restricted mobility and often housebound. It is imperative to my quality of life that I'm able to be amongst my community. Whilst I am shielded in public housing from Sydney's egregious rental market, my friends and family, the people who make up my community, are not.

I have lost count of the number of people close to me who have had to move interstate because their low incomes meant Sydney is no longer affordable to them. Each time my world gets a bit smaller. Being forced to leave their community is a horrible outcome of poor housing policy at every level of government spanning decades.

It is disheartening seeing governments at both State and Local levels responding to the housing crisis by promising big on affordable housing contributions, only to later walk back their stance to a weaker position. Council must prioritise our Inner West communities, in particular the most vulnerable amongst us, over bad faith developer arguments that higher AHCs make profit margins untenable.

I commend IWC for aiming for a much needed affordable housing definition of '30% of household income'. However, this needs to be a requirement rather than aspirational and it must be ensured that people on low and very low incomes are prioritised rather than being left waiting 10+ years on the social housing register as their pathway to secure housing.

I support [redacted]'s recommendations regarding the IWC Affordable Housing Policy Draft:

1. Replace the dedication of all Affordable Housing Contributions to nominated CHPs with a grant program open to all Community Housing Providers, similar to City of Sydney's Affordable & Diverse Housing Fund.
2. Increase the percentage (%) of affordable housing contributions for any additional proposed residential floor space beyond the baseline provision in the FFP to 20%, to action Council's commitment from the Extraordinary Council Meeting on 30th September 2025.
3. Any transfer of existing Council owned housing & sale of Council land should be based on a competitive tender process open to all not-for-profit Community Housing Providers, including Tiers 2 & 3, not just Tier 1.
4. Include a requirement that a minimum percentage (%) of housing delivered using affordable housing contributions be allocated for low & very-low income households, to ensure our most vulnerable community members will be housed.
5. Include a requirement that housing costs are to be set at no more than 30% of household income, to ensure that housing delivered using public funds is truly affordable.
6. Specify a minimum floor area of 35sqm for any affordable housing to be paid as in-kind contributions, to avoid the dedication of smaller co-living units.
7. Reporting of affordable housing contributions received & how it has been used should be made annually to ensure transparency for the community in the process.

# Inner West Council Affordable Housing Policy Submission

By [redacted]

[redacted]

My name is [redacted]. I'm 31 and living in Dulwich Hill. I'm a post-graduate student living on the Carer Pension as my sole income. I try to give back to our community as a member of the Sydney Alliance Inner West & Metro People's Action Community Team (IMPACT).

Like many people my age, I have been priced out of the Inner West community that I'm connected to, and where my caring responsibilities are. It is solely due to a rare understanding arrangement letting me pay a fraction of market rent that I'm able to continue living in the area. This feels like luck. Luck should not be needed to remain connected to our communities or live near our responsibilities.

I commend the Inner West Council (IWC) for developing their affordable housing policy, however there are some serious points of consideration important to me. In particular, affordable housing should be actually affordable. I would like IWC to commit to a hard affordable housing definition of no more than 30% of household income.

It is also disenchanting to see Councils and State Governments catering to developer profit desires over genuine severe community need. I believe Council should commit to substantive developer affordable housing contributions that don't evaporate during negotiations. People in the Inner West community should not be left suffering horrifying rent levels or being forced out of the area because a hugely profitable developer industry is being given preferential access and treatment to cry poor.

I support the following recommendations regarding the IWC Affordable Housing Policy Draft:

1. **Replace the dedication of all Affordable Housing Contributions to nominated CHP's with a grant program open all Community Housing Providers, similar to City of Sydney's Affordable & Diverse Housing Fund.**
2. **Increase the percentage (%) of affordable housing contributions for any additional proposed residential floor space beyond the baseline provision in the FFP to 20%, to action Council's commitment from the Extraordinary Council Meeting on 30th September 2025.**
3. **Any transfer of existing Council owned housing & sale of Council land, should be based on a competitive tender process open to all not-for-profit Community Housing Providers, including Tiers 2 & 3, not just Tier 1.**
4. **Include a requirement that a minimum of percentage (%) of housing delivered using affordable housing contributions to be allocated for low & very-low income households, to ensure our most vulnerable community members will be housed.**
5. **Include a requirement that housing costs are to be set at no more than 30% of household income, to ensure that housing delivered using public funds is truly affordable.**
6. **Specify a minimum floor area of 35sqm for any affordable housing to be paid as in-kind contributions, to avoid the dedication of smaller co-living units.**
7. **Reporting of affordable housing contributions received & how it has been used should be made annually to ensure transparency for the community in the process.**

# Inner West Council Affordable Housing Policy Submission

[redacted]

*26/05/2026*

***My name is [redacted]. Although I currently live in private rental accommodation in Pyrmont, I attend Leichhardt Uniting Church and University of Sydney and spend most of my time in the inner west, hoping to live there at some point soon and permanently. I am a mature age social work student and a member of the Sydney Alliance Inner-West & Metro People's Action Community Team (IMPACT). This submission is in a personal capacity.***

***Affordable Housing is important to me as my household and immediate family comprise: myself, bankrupted through complications around separation, a long-time single mother of a young person with disability, only able to study now aged 50, my 64 year old retrenched husband, previously a minister and therefore with no assets attempting to retrain in a new field to look for employment at a vulnerable age, retired social worker and performing artist parents who lost their home in a bankruptcy late in life and now struggle in private rental living on the age pension, an only child young adult son with intellectual disability whose employment options are consequently limited and who will inherit no assets as none of us hold any. Having said that we are a happy, socially engaged, creative and community-minded family. We are 'working poor'. I also think our scope of situations are not unique but highlight several lesser thought-of circumstances that can create a need for affordable housing.***

***I'm particularly passionate about affordable housing that considers people on age pension who don't own property but whose whole social community is in Sydney - where can they live when affordable private rental is no longer available? Also regarding essential workers - I see rental schemes for such a population emerging, though few and far between - but we also need permanent housing, and not be obligated to leave Sydney unless we stay in uncertain rental contracts. Lastly, please consider options for intergenerational living in the design of affordable housing.***

I support the following recommendations regarding the IWC Affordable Housing Policy Draft:

1. **Replace the dedication of all Affordable Housing Contributions to nominated CHP's with a grant program open all Community Housing Providers, similar to City of Sydney's Affordable & Diverse Housing Fund.**
2. **Increase the percentage (%) of affordable housing contributions for any additional proposed residential floor space beyond the baseline provision in the FFP to 20%, to action Council's commitment from the Extraordinary Council Meeting on 30th September 2025.**
3. **Any transfer of existing Council owned housing & sale of Council land, should be based on a competitive tender process open to all not-for-profit Community Housing Providers, including Tiers 2 & 3, not just Tier 1.**

4. **Include a requirement that a minimum of percentage (%) of housing delivered using affordable housing contributions to be allocated for low & very-low income households, to ensure our most vulnerable community members will be housed.**
5. **Include a requirement that housing costs are to be set at no more than 30% of household income, to ensure that housing delivered using public funds is truly affordable.**
6. **Specify a minimum floor area of 35sqm for any affordable housing to be paid as in-kind contributions, to avoid the dedication of smaller co-living units.**
7. **Reporting of affordable housing contributions received & how it has been used should be made annually to ensure transparency for the community in the process.**

Thank you and regards,
[redacted]

| ID | Do you support the Affordable Housing Policy? | Please explain why | Are you a member of a target housing group? | How easy was it to find information about this project and provide your feedback? | Comment if you wish on your experience of providing feedback on Your Say Inner West. |
|---|---|---|---|---|---|
| 1 | Yes | I broadly support the affordable housing policy changes with some recommendations made in my submission sent to the nominated consultation email address. | None of the above | 4 | |
| 2 | No | Because it doesn't necessarily provide affordable housing for low and very low income earners and developers are under no obligation to keep the tiny percentage of affordable housing units they build as affordable housing after 15 years. | Older people | 1 | I am still unable to find a map on the Your Say website that reflects the changes made to the Parramatta Corridor zonings in February this year. |
| 3 | Yes | I support the policy with a few caveats. I believe that 10% as a baseline target needs to be more ambitious given the scale of the housing crisis as renters are paying in excess of 35-50% of their gross household income on housing. I also believe council should develop a program of council-led affordable housing development, repurposing council owned land or reacquired land and developing it into council assets. As a starting point, it could use the state pattern guide for small lot apartments. | Key workers and shift workers; Young people; Families escaping domestic violence; Aboriginal and Torres Strait Islanders; People with disability; People at risk of homelessness; Artists and cultural creators | 5 | |
| 4 | Yes | It is great to see the mandatory 10% affordable housing contribution for rezoning. It is so important that we ensure we have affordable housing so the Inner West remains the vibrant, diverse community is it today. Lower income families and key workers should have the right to live here. | Older people | | |
| 5 | No | The floorspace contributions are too small particularly on uplift above zoning limits.<br>The economic modelling that has been used to determine these is alarmingly simplistic.<br>For uplift areas over planning limits 50 % should be the requirement.<br>If this is not economic then the planning controls will stand.<br>There needs to be a very big bonus for the community as a whole if it is to accept additional floorspace for these developments over and above the already overly generous planning controls. | People from culturally and linguistically diverse backgrounds; People with disability | 1 | |
| 6 | No | I am writing to register my strongest possible objection to this draft policy. The packaging of this document under the banner of "affordable housing" is a cosmetic gauze that borders on fraudulent. It is a Trojan horse designed to disguise rampant developer greed and massive, state-mandated density uplifts that will permanently destroy the fabric, character, and low-density streetscapes of the Inner West | Prefer not to say | 1 | |
| 7 | No | 1. Replace the dedication of all Affordable Housing Contributions to nominated CHP's with a grant program, open all Community Housing Providers, similar to City of Sydney's Affordable & Diverse Housing Fund<br>2. Increase the percentage (%) rate of affordable housing contributions for any additional proposed residential floor space to 20%, in line with Council's commitment from the September 2025 Extraordinary Council Meeting. | Artists and cultural creators | 3 | |
| 8 | Yes | | Single parents | 5 | |
| 9 | Don't know/ unsure | There are good parts in the plan but there can be major improvements to increase affordability in the inner west. Things that can be addressed are:<br>replace Affordable Housing Contributions to nominated CHP's with a grant program open all Community Housing Providers and<br>increase the percentage of affordable housing contributions for any additional proposed residential floor space beyond the baseline provision in the FFP to 20% as committed by Council's at the meeting on 30th September 2025. | Young people | 3 | No |
| 10 | No | This is a cynical ploy to sell the idea that Council is, will, do something about affordable housing. The front cover photograph of the Nightgale project is a case in point. Council's deliberations caused a huge delay in the projects delivery. As far as Council managing any developer's contribtion spare us all please! Leave it to competent state government management. | None of the above | | |
| 11 | No | I think it should not be mandated. Also it should focus on shift/key workers, older people and people with disability who require to be closer to the city.<br><br>If you turn it into social housing it's not fair to the other owners to deal with the social problems we already have in Balmain due to mass social housing.<br><br>We need to help those that work hard and contribute back to society. Not those that take advantage. | Key workers and shift workers | 4 | |
| 12 | Yes | I support the draft Policy. The 10% rate, monetary preference, indexation, and 30% government land target are welcome.<br><br>Two suggestions: apply the 10% to uplift only, not total new floorspace, so the levy doesn't kill marginal projects; and treat the AHCS as a complement to, not a substitute for, broad upzoning. Contributions only flow when development proceeds; the strongest affordability lever is abundant, well-located capacity. | None of the above | 5 | |