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Department of Planning, Housing and Infrastructure

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Online submission at:
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Re: SSROC Submission: Draft Guide for Council-Led Affordable Housing on Operational Land in NSW

1 Introduction

The Southern Sydney Regional Organisation of Councils (SSROC) appreciates the opportunity to make a submission concerning the exhibition of the *Draft Guide for Council-Led Affordable Housing on Operational Land in NSW*.

SSROC welcomes the NSW Government's production of the draft guide. SSROC appreciates the development of this document as a form of support for local councils that are exploring the use of under-utilised council land for affordable housing.

SSROC is an association of twelve local councils in the area south of Sydney Harbour, covering central, inner west, eastern and southern Sydney. SSROC acknowledges the traditional custodians of the land on which we work and live, the peoples of the Darug, Dharawal and Eora Nations.

SSROC provides a forum for the exchange of ideas between our member councils, and an interface between governments, other councils and key bodies on issues of common interest. Together, our member councils cover a population of about 1.9 million, one third of the population of Sydney, Australia's most densely populated suburbs. SSROC seeks to advocate for the needs of our member councils and bring a regional perspective to the issues raised.

SSROC acknowledges the Government's commitment to help local councils to contribute to housing supply reforms and targets under the National Housing Accord to increase the number of homes built to address supply and affordability issues across the state.

SSROC and its member councils have a strong interest in the supply and ongoing provision of affordable (non-market) rental housing in their communities and warmly welcomes the development of the draft *Guide* and the opportunity to provide input into the proposed arrangements.

Collaboration with Resilient Sydney

Resilient Sydney is a collaboration of all 33 metropolitan councils of Greater Sydney to develop and implement a city-wide [resilience strategy](#), first published in 2018.

Over five years, SSROC has been collaborating with Resilient Sydney to help tackle the housing affordability problem, actively building support amongst metropolitan local councils for practical

solutions to the lack of supply by examining a diverse range of measures to increase it, including the establishment of affordable housing contribution schemes through the NSW Planning system.

This work has included:

- a Resilient Sydney workshop for senior planners from 32 metropolitan councils to share guidance on new tools, templates and resources developed by our project. These are designed to help councils to prepare local affordable housing contribution schemes that, once adopted, progressively generate new affordable rental housing supply.
- SSROC convened a Resilient Sydney Diverse and Affordable Housing Steering Committee to tackle the problems, bringing together councils, NSW departmental officers and other expert housing advisers. Work undertaken by the Resilient Sydney Affordable Housing Steering Committee in consultation with metropolitan councils identified substantial barriers to establishing affordable housing contribution schemes under the current framework; and,
- Supporting two Resilient Sydney Mayoral Summits in 2023 and 2024 encouraging councils to take action to foster affordable housing responses. Each of these occasions has resulted in recommended actions promoting the use of council owned land for increasing the supply of affordable rental housing.

2 Understanding of the Draft Guide for Council-Led Affordable Housing on Operational Land in NSW

The Guide is a resource designed to support local councils in NSW as key partners in delivering better housing outcomes for people across the state. “Councils have a key role in helping NSW to meet targets under the National Housing Accord, a strategic initiative. committed to delivering hundreds of thousands of homes by 2027 to address the pressing issues of housing supply and affordability challenges.¹”

One of the most significant challenges in making affordable housing a reality often comes down to the cost of acquiring well-located land.

The Guide acknowledges this challenge, and positions councils to play a vital role in overcoming it. By harnessing under-utilised operational land² owned by local councils for affordable housing projects, councils can facilitate access to homes for those in need.

The draft Guide covers:

- the identification of suitable under-utilised land;
- options for the sale and transfer of land;
- management of affordable housing projects at every stage in the process;
- accessing grants and support mechanisms available to councils; and,
- showcasing success stories through case studies of council led affordable housing projects (involving partnering with registered community housing providers on operational land).

¹ The *Draft Guide for Council-Led Affordable Housing on Operational Land in NSW*, page 5

² *Operational land* refers to council-owned land that has no special restrictions on its use, apart from those that may apply to any piece of land. It is distinct from “community land” which is classified to reflect the importance of the land to the community because of its use or special value or significance to the local community. *Draft Guide*, page 7.

The Guide is designed as an early reference point for councils considering the use of operational land for affordable housing. It offers step by step guidance on various aspects of using operational land for affordable housing as well as key contacts and additional resources.

3 SSROC support for the Guide

There is a growing and sustained public support for the provision of affordable rental housing targeted to those in housing need³. Many councils have recognised this need as a priority for their residents and communities.

Accordingly, SSROC supports the production of the Guide as a useful reference for councils.

SSROC also wishes to acknowledge the NSW Government's backing for this initiative provided by the Minister for Local Government, The Hon. Ron Hoenig. The Minister helpfully affirms that "Affordable housing is a cornerstone of a thriving, inclusive society" in the Guide's Forward.

One of the most tangible and immediate opportunities for local councils to develop affordable housing (for essential workers and others) is currently through granting access to under-utilised council land.

4 Feedback on the Draft Guide

4.1 Inclusion of an Executive Summary

The Guide provides a thorough and comprehensive technical resource for councils looking to harness under-utilised operational land for affordable housing in partnership with community housing providers. At this stage its main use as a reference document is likely to be for council officers preparing advice and recommendations to council.

As a *council led affordable housing* initiative, it would also be helpful to include a short overview/executive summary of the document drawing together the key messages embedded in the document, directed principally to Councilors in support of their strategic governance, leadership and decision-making roles.

This overview could make the case for using under-utilised council land, and assuring councils that this can produce lasting positive outcomes for their communities. It would highlight the benefits of partnering with a registered community housing provider to deliver the affordable housing project as a partner that can then take on some or all of the risks and ongoing costs of managing and maintaining affordable rental housing in perpetuity. It would recommend the Guide as practical advice and offering councils a proven, low-risk, streamlined pathway to an affordable housing project using council's under-utilised land. The overview could also acknowledge and welcome the collaboration between NSW Government agencies: Homes NSW and the Department of Planning, Housing and Infrastructure in bringing together concise technical and legal advice that can shape a good practice approach to developing the housing project.

This suggested section could potentially be positioned at the beginning of the document before the *Introduction*.

³ A survey in 2023 showed widespread support for the "introduction of planning regulations to ensure any new housing development included a proportion of low cost housing".

¹¹ Sydney Morning Herald, 24 April 2023, reported a Resolve Survey showing 68% of the respondents supported "introduction of planning regulations to ensure any new housing development included a proportion of low cost housing".

An illustrative suggested message for an executive summary/overview is provided below.

Overview of this council led approach

Increasing housing supply is a shared responsibility for all levels of government along with the private development industry.

As part of growing the supply of accessible, well-located dwellings, new affordable rental housing can be key to maintaining lower-paid, key and essential workers and vulnerable households in our communities. It can help to ensure that our communities are inclusive and attractive places to live and local businesses and services can grow and remain productive.

Local governments can make an important contribution here, assisting affordable homes to be built with the provision of under-utilised (operational) council land to provide sites for this housing.

In the face of the current rental affordability crisis for renters and commitments under the National Housing Accord, the NSW Government is helping local councils to take practical steps by fostering affordable housing projects involving granting access to some under-utilised council land in a response to local community needs.

As part of this support, the NSW Government has prepared this reference guide for local councils to understand how they can best to use available council land to help meet this need and so facilitate the delivery of much-needed affordable rental housing.

A key element of this approach is a council partnering with a registered community housing provider selected to deliver the affordable rental housing project. Community housing providers exist across the state to form a successful industry carefully regulated by the NSW Government. Community housing providers operate and invest locally and manage long term ongoing risks of this specialised rental business while ensuring affordability outcomes result for eligible residents.

The reference guide also reflects a strong state government collaboration between the Office of Local Government, Department of Planning, Housing and Infrastructure and Homes NSW that brings together general legal, planning, contracting and management advice in one helpful practical document for councils to use.

4.2 Inclusion of simplified decision-making diagrams for developing an affordable housing project

The document would benefit from the inclusion of some decision-making diagrams for developing an affordable housing project at an appropriate place in the document. These can show, at a glance, the key steps involved in the process of developing a council led affordable housing project.

For clarity it is suggested as being articulated in two parts, even though they can be sequentially combined:

- Council preparing affordable housing responses
- Council delivering affordable housing project through the use of under-utilised council owned land.

For illustrative purposes some suggested diagrams are provided at Attachment 1.

5 Conclusion

Thank you for the opportunity to provide feedback on the *Draft Guide for Council-Led Affordable Housing on Operational Land in NSW*.

This submission welcomes this initiative. Once finalised, SSROC will look to recommending it to our member councils as a resource and reference when they are exploring the use of council owned (operational) land for affordable housing provision.

The proposed Guide acknowledges the need for affordable rental housing as being critical to building sustainable, balanced and diverse communities and strengthening the long-term economic growth. As part of Greater Sydney, SSROC and its member councils have a direct interest in supporting and advocating for the take up of these opportunities that will build more sustainable and inclusive communities, help to retain Greater Sydney's essential workers and enhance the productivity of local businesses in metropolitan Sydney.

In order to make this submission within the prescribed timeframe, it has not been possible for it to be reviewed by councils or to be endorsed by a formal meeting of SSROC Delegates. I will contact you further if any issues arise as it is reviewed. If you have any queries, please do not hesitate to contact me or Mark Nutting, SSROC Strategic Planning Manager on 8396 3800, or ssroc@ssroc.nsw.gov.au.

Yours sincerely

A handwritten signature in black ink, appearing to read "H Sloan".

Helen Sloan
Chief Executive Officer
Southern Sydney Regional Organisation of Councils

Diagram 1: Process for Council developing local affordable housing responses**Diagram 2: Overview of the broad development process for Council led affordable housing project**