



7 October 2025

City of Sydney
Reference X0099241.006 – Affordable Housing
Contributions Review.

Online submission at:
sydneyyoursay@cityofsydney.nsw.gov.au

Re: SSROC Submission: Affordable Rental Housing Program

1 Introduction

The Southern Sydney Regional Organisation of Councils (SSROC) appreciates the opportunity to make a submission regarding the Affordable Rental Housing Contributions Review. SSROC commends Council on undertaking the Review and strongly supports the key recommendations found in the Planning Proposal – City of Sydney Affordable Rental Housing Contributions Review and the proposed changes to the Affordable Housing Program.

The Southern Sydney Regional Organisation of Councils Inc (SSROC) is an association of twelve local councils in the area south of Sydney Harbour, covering central, inner west, eastern and southern Sydney, and which includes the City of 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 1.8 million, one third of the population of Sydney, including 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 and its member councils have a strong interest in the supply and ongoing provision of affordable (non-market) rental housing in our communities. SSROC warmly welcomes the City's review of the Affordable Rental Housing Contributions and the opportunity to provide feedback on the proposed changes to the City of Sydney Affordable Housing Program.

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.

1 Understanding of the Affordable Housing Contributions Review and the Draft City of Sydney Affordable Housing Program

The City of Sydney Affordable Housing Program is on exhibition from 25 August 2025 until 7 October 2025 for public feedback.

Sydney remains Australia's least affordable city. The high cost of housing is an important economic and social risk, particularly within the City of Sydney local area (the City) where housing prices are amongst the highest in Australia.

Sustainable Sydney 2030-2050: Continuing the Vision maintains the target in the City's Local Housing Strategy: Housing for All for 7.5% of all private dwellings to be affordable (and diverse) housing. Based on a private dwelling target of about 156,000 by 2036, an estimated 12,000 affordable dwellings are required to achieve the City's target to 2036.

In the City of Sydney, local environmental plans and the City of Sydney Affordable Housing Program (Program) provide a framework for 2 separate affordable housing contribution requirements that may apply to development in the local area, including a:

- rezoning affordable housing (AH) contribution (rezoning contribution) that is applied to new defined floor space that is achieved where there is a change to the planning controls, and
- broad-based local government area wide AH contribution (Local Government Area (LGA) contribution), that is applied to all qualifying development upon approval.

Affordable housing contributions and infrastructure contributions applied at development approval are calibrated to ensure that they do not cause the delivery of market housing to become unviable and not proceed. As it is market housing production that is levied for affordable housing contributions, where market housing becomes unviable AH contributions cannot be collected, and affordable housing delivery will stall.

Since 1996, the evolution of affordable housing contribution schemes have resulted in about \$400m being passed to a not-for-profit community housing provider (CHP) to deliver affordable housing in the local area. An LGA-wide contribution requirement came into effect in August 2020. This has resulted in around 1,534 affordable dwellings that have been built or are in the planning stages (as at June 2024). A high-level analysis projects the City's affordable housing contribution schemes, which were recently extended to cover all of the local government area, will deliver an additional 1,950 affordable dwellings.

In June 2023, Council resolved to review the City's affordable housing contribution requirements and consider what changes could deliver more affordable housing in the local area. In February 2024, Council further resolved that Council be advised on options to give the City the ability to require that affordable housing contributions be delivered on site, in appropriate developments.

The City commissioned an independent economic assessment to review current contribution rates with feasibility testing throughout the LGA to inform their potential for increase. It also undertook further consultation with registered not for profit CHPs about the circumstances where dedicated affordable housing is suitable and could be sustainably managed.

Following the review and recommendations, the Planning Proposal - City of Sydney Affordable Housing Contributions Review (planning proposal) and draft City of Sydney Affordable Housing Program Amendment 2024 (draft Program), subject of this report, have been prepared to:



- simplify the rezoning contribution requirement with a consistent rate, but enable Council to require a contribution be satisfied through the dedication of built dwellings (in appropriate circumstances), instead of monetary contributions
- require the LGA contribution be satisfied by making an equivalent monetary contribution, and remove the option of dedicating built dwellings, and
- increase the equivalent monetary contribution rates (dollar rates) in the Program.

Following consideration of the recommendations of the Rates Review the planning proposal and draft Program propose precinct-based dollar rates to be phased in over a period of 4 years from the final approval of the Program by Council.

Subject to the City's approval of:

- the Planning Proposal - City of Sydney Affordable Housing Contributions Review, would progress to public authority consultation and public exhibition in accordance with any conditions imposed under the gateway determination.
- the draft City of Sydney Affordable Housing Program Amendment 2024, would progress to for public exhibition concurrently with the Planning Proposal.

2 SSROC Support

SSROC offers its strong support for the draft Affordable Housing Program and congratulates Council on its development through the review process. The reforms aim to better align contributions with the real costs of delivering housing, increase affordable housing supply, and improve fairness and efficiency across the City. There is growing and sustained public support for the provision of affordable rental housing targeted to those in housing need¹ through the planning system.

This support is grounded in the Program's commitment to adopting affordable housing contribution rates that align with market realities and the evidence-led approach. Equally important is the provision of affordable rental housing in perpetuity that recognizes the long-term housing needs of communities for quality affordable rental housing supply for very low, low and moderate income households.

SSROC strongly supports the way the Program will continue to capture affordable housing contributions where there is planning uplift as an important contributor to affordable rental housing supply in perpetuity.

Furthermore, this submission commends and supports the three key changes to the Affordable Housing Program. We understand that the proposed changes will:

- increase the equivalent cash contribution rates (dollar rates) to reflect the true cost of building housing
- require the local government area-wide contribution to be a cash contribution, and remove the option to dedicate built dwellings
- simplify the rezoning contribution requirement and require the dedication of built dwellings where appropriate.

¹ 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".

¹ 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".

Key benefits of the changes

- **Greater delivery of affordable dwellings**

Affordable housing development contribution schemes are an important planning lever available to local government to ensure that, as the supply of market housing is increased, affordable housing for lower income households is also increased. This ensures diversity in the housing supply but also ensures a diverse community can have their housing needs met. By raising the equivalent cash (dollar) rates for contributions, the City estimates that the revised LGA contribution alone could yield an additional ~320 dwellings (independent of leverage) beyond existing projections. When contributions are leveraged via community housing providers accessing state/federal funding and leverage opportunities, the uplift could be much larger.
- **Better equity and precinct sensitivity**

The changes propose precinct-based contribution rates rather than a one-size-fits-all rate. This ensures contributions better reflect local land values, construction costs, and viability. This tailoring can help avoid overburdening developments in lower-value precincts and improve fairness across different parts of the City.
- **Simplified and clearer contribution rules**
 - The LGA-wide contribution will now be in cash (monetary), removing the option to dedicate built dwellings under that stream.
 - The rezoning (uplift) contribution rule is simplified; in qualifying cases, built dwellings may be required.
 - The calculation base is updated to Gross Floor Area (GFA) rather than Total Floor Area (TFA), and the current upper size limit (90 m²) for dedicated affordable dwellings is removed, which helps enable more flexibility in unit size (for families, cultural group needs, etc.).
- **Improved administrative efficiency and viability**

The proposal allows consent authorities discretion in determining whether a contribution is satisfied via cash or built units (in rezoning cases), reducing complexity and aligning decisions to context. The phased implementation over four years gives developers time to adjust and internalise the cost of contributions in land pricing.
- **Stronger alignment with policy and targets**

The City can better pursue its strategic goals: increasing the affordable housing share, promoting social diversity, enabling lower-income households to live and work in the city, and enabling community housing providers to build and manage new dwellings under a dependable funding framework.

3 Conclusion

Thank you for the opportunity to provide a submission regarding the Draft Affordable Housing Program. This submission welcomes the Affordable Housing Contributions Review and supports the adoption of the Affordable Housing Program by the City. The proposed changes should improve consistency, fairness, revenue potential, and delivery capacity for affordable housing, while allowing more flexibility in how and where contributions are satisfied: all of which should strengthen the City's ability to meet housing needs in a rising-cost environment.



The proposed Program recognises the need for affordable rental housing, being critical to building sustainable, balanced and diverse communities and to strengthening the long-term economic growth of the City of Sydney. As part of Greater Sydney, SSROC and its member councils have a collective interest in supporting and advocating for these changes 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 faithfully

A handwritten signature in black ink that reads 'H Sloan'.

Helen Sloan
Chief Executive Officer
Southern Sydney Regional Organisation of Councils