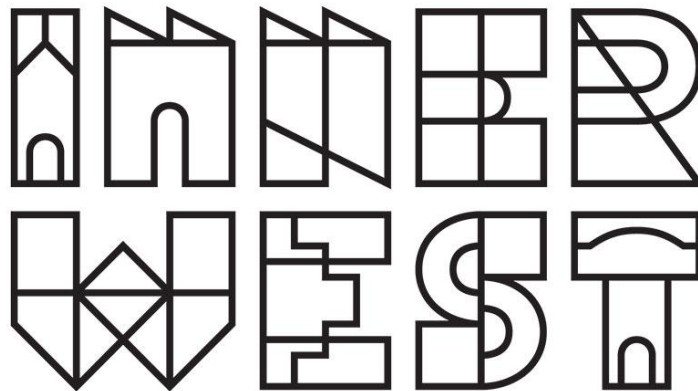


# AGENDA

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**EXTRAORDINARY COUNCIL MEETING**

**TUESDAY 28 APRIL 2026**

**7:30 PM**

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Location Ashfield Service Centre, 260 Liverpool Road, Ashfield

### Live Streaming of Council Meeting

In the spirit of open, accessible and transparent government, this meeting of the Inner West Council is being streamed live on Council's website. Any part of this meeting that is held in closed session will not be recorded.

Council meetings are streamed live on [Council's website](#). This allows our community greater access to Council proceedings, decisions and debate.

### Accessibility

Inner West Council is committed to ensuring people with a disability have equal opportunity to take part in Council and Committee Meetings. At the Council Chambers at Ashfield, there is a hearing loop service available to assist persons with a hearing impairment. If you have any other access or disability related participation needs and wish to know more, call 9392 5536.

**Persons in the public gallery are advised that under the *Local Government Act 1993*, a person may NOT record a Council meeting without the permission of Council.**

**Any persons found recording without authority will be expelled from the meeting.**

**"Record" includes the use of any form of audio, video and still camera equipment or mobile phone capable of recording speech.**

**An audio recording of this meeting will be taken for the purpose of verifying the accuracy of the minutes.**

### Statement of Ethical Obligations

The Mayor and Councillors are bound by the Oath/ Affirmation of Office made at the start of the Council term to undertake their civic duties in the best interests of the people of the Inner West Council and to faithfully and impartially carry out the functions, powers, authorities and discretions vested in them under the Local Government Act or any other Act, to the best of their skill and judgement.

It is also a requirement that the Mayor and Councillors disclose conflicts of interest in relation to items listed for consideration on the Agenda or which are considered at this meeting in accordance with Council's Code of Conduct and Code of Meeting Practice.

**AGENDA**

- 1 Acknowledgement of Country**
- 2 Apologies and Request for Remote Attendance**
- 3 Statement of Ethical Obligations**
- 4 Disclosures of Interest (Part 4 (Pecuniary Interests) and Part 5 (non-pecuniary conflicts of interest) of Council’s Code of Conduct)**
- 5 Moment of Quiet Contemplation**
- 6 Reports for Council Decision**

<b>ITEM</b>	<b>Page</b>
C0426(2) Item 1 Inner West Affordable Housing Policy	<b>4</b>
C0426(2) Item 2 Public Exhibition - Draft Inner West Development Control Plan	<b>100</b>

**7 Reports with Confidential Information**

Reports appearing in this section of the Business Paper are confidential in their entirety or contain confidential information in attachments.

The confidential information has been circulated separately.

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C0426(2) Item 3 Leichhardt Park Aquatic Centre - Project Update	<b>796</b>

**Item No:** C0426(2) Item 1  
**Subject:** INNER WEST AFFORDABLE HOUSING POLICY  
**Prepared By:** Simone Plummer - Director Planning

Item 1

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**RECOMMENDATION**

1. That Council publicly exhibit the draft Inner West Affordable Housing Policy for a period of at least 28 days beginning in May and seek feedback from relevant stakeholders and the community on the proposed policy.
  2. That following the conclusion of the exhibition period, the draft Inner West Affordable Housing Policy, including Engagement Outcomes Report and any recommended changes to the policy, be brought back to Council at the August 2025 Council meeting.
- 

**STRATEGIC OBJECTIVE**

This report supports the following strategic directions contained within Council's Community Strategic Plan:

- 2: Liveable, connected neighbourhoods and transport
- 4: Healthy, resilient and caring communities

**EXECUTIVE SUMMARY**

In compliance with the Code of Meeting Practice issued by the Office of Local Government in 2025, Council has not held any pre-meeting briefings in respect of the matters discussed in this report. This report is therefore the first time Council has been presented with the relevant information to inform its decision making on the matters in this report.

This report sets out the outcomes of Council's review of the 2022 Inner West Affordable Housing Policy and presents a new draft Inner West Affordable Housing Policy (*Attachment 1*).

The report recommends that Council publicly exhibit the draft Policy for 28 days to seek feedback from the community and key stakeholders, before Council finalises the Policy and considers adopting it.

The draft Policy sets out Council's objectives, principles and delivery priorities for increasing the supply of affordable rental housing for Very Low, Low and Moderate income households. It focuses on priority cohorts, including key/essential workers; older people (including older women); young people; families in need (including women and children escaping domestic violence); Aboriginal and Torres Strait Islander peoples; people with disability or at risk of homelessness; culturally and linguistically diverse communities; and artists and cultural creators.

A central feature of the draft Policy is a proposed contributions framework to help secure Affordable Housing through Council/State-led precinct planning and proponent-led planning proposals. The draft Policy flags that Council will prepare an Affordable Housing Contribution Scheme (AHCS) for uplift land under precinct planning, based on up-to-date feasibility analysis. For proponent-led proposals that seek to amend *Inner West Local Environmental Plan 2022* (IWLEP) to increase or enable residential capacity, the draft Policy proposes an Affordable Housing contribution of 10% of additional residential gross floor area where residential uses are already permitted, and 7.5% where residential uses are not currently permitted. Proponents may

make contributions through a monetary payment, dedication of dwellings, dedication of land, or a combination of these options, subject to the draft Policy's requirements.

**BACKGROUND**

At the Council meeting held on 30 September 2025, Council resolved the following in part:

5. *That Council base our policy regarding acquisition of affordable housing through private development in upzoned areas on the City of Sydney's principles that have been successfully implemented. This is to include:*
  - a) *Adoption of 2% affordable housing contribution, moving to 3% after 3 years, across all privately owned land in upzoned areas;*
  - b) *Consideration of a 1% affordable housing contribution on all non-residential lands within the local government area, with the plan for phasing and introduction of this to be included in the studies for the State 2 of Our Fairer Future Plan; and*
  - c) *Inclusion of a 20% affordable housing contribution for any additional proposed floor space beyond the baseline provision, in upzoned areas. This is to be based on the City of Sydney's policy and to be determined through Stage 2 investigations of the Fairer Future Plan.*
  
16. *That in order to support Our Fairer Future Plan, the following policy work commence to be brought to Council for consideration prior to exhibition:*
  - a) *A new Local Infrastructure Delivery Plan and update to the Inner West Contributions Plan to cater for the increased local infrastructure demands across the LGA;*
  - b) *A harmonised Development Control Plan based on both feedback from development stakeholders and the Draft Design Guides; and*
  - c) *The Inner West Affordable Housing Policy be reviewed as outlined in Attachment 1 Engagement Outcomes Report with the addition of a definition of affordable as per the Housing SEPP as housing for very low, low and moderate income households, with tenants not to pay more than 30% of their gross household income in rent.*

At the Council meeting held on 17 February 2026, Council considered initial procedural advice on the preparation of the new Affordable Housing Policy and City of Sydney's Affordable Housing Program (per Council's 30 September 2025 resolution), Council resolved the following in part:

4. *That the draft Affordable Housing Policy for community consultation be reported to the April 2026 council meeting.*

Atlas Economics was appointed in January 2026 to assist in the review of the Inner West Affordable Housing Policy (adopted 2022) and preparation of new Affordable Housing Policy and Contributions Scheme. The new draft Policy is at *Attachment 1*.

**Informal Engagement with Community Housing Providers**

To assist the draft Policy preparation, Atlas held informal discussions with the following Community Housing Providers (CHPs) that have current or potential future involvements in the Inner West:

- St George Housing - Monday 23 February 2026
- Metro Housing - Monday 23 February 2026
- Link Wentworth - Monday 23 February 2026
- Hume Housing – Tuesday 17 February 2026
- Bridge Housing – Friday 27 February 2026

Topics covered included:

1. views on the suitability of locations for Affordable Housing,
2. approaches to growing Affordable Housing stock,

3. how CHPs secure land for development, and
4. the suitability of different methods of contributions (completed dwellings, monetary contributions and land).

Feedback from the CHPs on this is available in supporting analysis prepared by Atlas at *Attachment 2*.

**Review of the City of Sydney’s Affordable Housing Program**

As outlined in the officer report to Council’s 17 February 2026 meeting, Atlas’ review also includes an appraisal of City of Sydney’s Affordable Housing Program, specifically the following contribution rates:

- Non-residential developments  
A rate of 1% on all developments containing non-residential uses, applied to the total non-residential floor area. Analysis of this will be incorporated into broader economic feasibility testing for Our Fairer Future Plan Phase 2.
- Planning Proposal Land  
A rate on any land subject to a Planning Proposal for residential uplift, applied to the additional residential floor area achievable under the Planning Proposal. Currently, various rates of between 12 and 21% apply depending on location, but City of Sydney propose to change this to a flat rate of 20%.

Atlas has undertaken notional testing of the proposed City of Sydney rate of 20% on nine example Planning Proposals and Housing Delivery Authority proposals in the Inner West. In summary, Atlas’ analysis does not support this particular rate for implementation in Inner West LGA, for the following reasons:

1. The City of Sydney’s existing planning controls are higher to start with than the Inner West.
2. The value of development is naturally higher in the City of Sydney and therefore, the rest of the development (that is not dedicated as Affordable Housing) is better placed to offset the Affordable Housing contribution (20% of residential planning uplift), helping to preserve feasibility.
3. Many proponent-led proposals received in Inner West LGA are on sites where housing is currently prohibited (e.g. Zone E3 Productivity Support or E4 General Residential) and a rezoning is proposed as part of the proposal. A single flat rate of 20% would apply to all residential GFA proposed on the site and would likely be unachievable in these circumstances.

In zones where residential uses are not permitted, i.e. sites zoned E3 Productivity Support or E4 General Industry, a separate lower percentage has been proposed at 7.5%. While the percentage for industrial areas is lower than the 10% residential rate, these areas do not currently allow residential development and therefore the quantum of affordable housing will be higher because it will be applied across the entire residential component of the development. While they are flat rates that will apply to the local government area, the equivalent monetary contribution rate by location grouping takes account of local variations in land value. Any rate that is higher than 10% for residential or 7.5% for industrial areas will likely not be feasible.

Further information on this is available at *Attachment 2*.

**Guide for Council-led Affordable Housing on Operational Land in NSW**

In February 2026, the NSW Office of Local Government issued a new guide to assist councils to explore using operational land for Affordable Housing (included at *Attachment 3*).

This guide acknowledges a record-low supply of long-term rental homes is placing a significant financial strain on tenant cohorts seeking Affordable Housing. It recognises that the cost of suitably located land is often a significant barrier to creating more Affordable Housing and seeks to assist councils in leveraging under-utilised operational land to facilitate such projects.

This guide has been taken into account in the preparation of the draft Policy, specifically use and management policy positions. The steps outlined above will be followed as governance and distribution arrangements are prepared at a future stage.

**DISCUSSION**

**The draft Policy**

The draft Policy contains the following components:

1. Strategic Context
2. Affordable Housing Contributions in proponent led proposals
3. Administration and Implementation

**Key Changes from Current Affordable Housing Policy**

The key changes between the current and proposed draft policies can be summarised as follows:

Topic	2022 Adopted Policy	Draft Policy
<b>Tenant Selection and Rent-setting</b>	<ul style="list-style-type: none"> <li>• Rent setting in line with definition of Affordable Housing: no more than 30% of a household's gross income</li> <li>• Tenants must be Very Low, Low, Moderate income households</li> <li>• Target cohorts include Key workers, young and elderly residents, CALD, families, people with disability and people with indigenous backgrounds</li> </ul>	<ul style="list-style-type: none"> <li>• No change to rent-setting</li> <li>• All cohorts from the current Policy, plus inclusion of Artists and cultural creators</li> </ul>
<b>Affordable Housing Contribution Rate Council will seek for Proponent-led Proposals</b>	15% of additional residential GFA sought by a proposal (above that which is currently allowed)	<ul style="list-style-type: none"> <li>• For sites where residential is already permitted: 10% of additional residential GFA sought (above that which is currently allowed)</li> <li>• For sites where residential is not currently permitted: 7.5% of residential GFA sought (above that which is currently allowed)</li> </ul>
<b>Method of contributing Affordable Housing (monetary or in-kind)</b>	<ul style="list-style-type: none"> <li>• Preference for in-kind contributions: on-site dwellings</li> <li>• Dwelling contributions: mix of sizes, 'tenure blind', consistent with Apartment Design Guide</li> <li>• Monetary contribution option available</li> <li>• Planning Agreements using RLV (Residual Land Value) uplift sharing</li> </ul>	<ul style="list-style-type: none"> <li>• Preference for equivalent monetary contributions. In-kind options are alternatives, subject to Council's and CHP's agreement</li> <li>• In-kind options: dwelling and land dedication options available</li> <li>• Dedicated dwellings allowed (minimum GFA of 50sqm)</li> <li>• Land dedication option specified (minimum land area of 800sqm)</li> </ul>

<b>Monetary Contribution Calculation</b>	50% of land value increase captured via VPA	GFA × Contribution Rate (%) × Location based \$/sqm rate
<b>Indexation</b>	No fixed formula for contribution indexation	Annual indexation linked to median strata prices (NSW Rent & Sales Report). New rate = old rate × (updated median price ÷ former median price)
<b>Exemptions</b>	Not explicitly listed	Social housing, boarding houses, group homes, superlot subdivision with no net additional lots
<b>Governance of Affordable Housing</b>	<ul style="list-style-type: none"> <li>Appoint 1+ CHPs to manage Council's portfolio</li> <li>Establish an Affordable Housing Fund reserved for funding projects including maintenance and provision of more housing</li> <li>Informed by Hill PDA Study (2019), which referenced possibility of leveraging against assets to expand portfolio</li> </ul>	<ul style="list-style-type: none"> <li>Nominate 1+ not for profit CHP to transfer cash and in-kind contributions to, in order to leverage and invest in Inner West and allow a more proactive growth of community housing sector</li> <li>Prioritise Tier 1 CHPs and/or those with Inner West experience</li> <li>Work with nominated CHP/s to identify opportunity sites</li> <li>Partnerships for fixed period of 5 years, with option to extend</li> <li>Single CHP initially to concentrate distributions.</li> <li>Options for use of funds in early stage (before a critical mass achieved): <ul style="list-style-type: none"> <li>- purchase existing dwellings,</li> <li>- aggregate funds for developments,</li> <li>- land and funding packages where land is made available by supplementary sources for Affordable Housing dwellings,</li> <li>- leveraging to maximise quantum of dwellings</li> </ul> </li> <li>Arrangements will be delivered through a Governance and Distribution Framework</li> </ul>

**Affordable Housing Contribution Scheme (AHCS)**

The draft Policy states that an AHCS will be prepared by Council. An AHCS is the mechanism required to implement Affordable Housing Contributions through IWLEP. It requires preparation of a Planning Proposal and endorsement of the NSW Department of Planning, Housing and Infrastructure. It is proposed to bring the draft AHCS Planning Proposal to Council in August together with the Engagement Outcomes Report on the draft Policy.

Once in place, the AHCS will apply a contribution rate on any land proposed for housing uplift under Council or State-led precinct planning. This AHCS will be informed by up-to-date feasibility analysis, will initially apply to housing uplift land under Our Fairer Future Plan Phase 1 and will factor in Council's resolution of 30 September 2025: *“adoption of the officers recommendation for a 2% affordable housing contribution, moving to 3% after 3 years, across all privately owned land in upzoned areas.”*

The AHCS will be updated over time – informed by new feasibility testing – to incorporate further Council or State-led housing uplift over time.

**Proponent-led proposals**

Under the draft Policy, for any proponent-led proposal that seeks to amend IWLEP to allow additional housing uplift, Council will seek a proportion of the additional residential floorspace as an Affordable Housing contribution.

This could apply on land outside of an AHCS, but could also apply within an AHCS, where a proponent seeks floorspace above that achieved by the Council or State-led precinct planning.

The following contribution rates will be sought:

On sites where residential uses are already permitted	10% of the additional residential Gross Floor Area (GFA) proposed*
On sites where residential uses are not already permitted	7.5% of the additional residential GFA proposed

*\* Meaning residential GFA proposed above that currently permitted on the site by environmental planning instruments*

Contributions can be made via planning agreement in the form of equivalent monetary contributions, or in-kind dedication of dwellings or land, or a combination of these three forms. They must be to the satisfaction of Council and its nominated CHP and follow requirements in the draft Policy.

**Current and Future Management of Affordable Housing**

Council currently owns and manages 25 affordable housing units within the LGA. These units are currently managed on Council’s behalf by Link Wentworth Housing Limited, under a Property Management Agreement. This CHP is responsible for managing and coordinating all tenancy and property matters ensuring compliance with statutory Affordable Housing requirements, including tenure periods, tenant queries and establishing maximum rent amounts (in conjunction with Council).

Council also manages an Affordable Housing Fund, which comprises funds allocated for Affordable Housing initiatives, including monetary contributions received from Planning Agreements with proponents.

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.

To enact these positions, the draft Policy proposes that a Governance and Distribution Framework be prepared by Council. The Framework is a public facing document endorsed by Council that outlines how and to who Affordable Housing Contribution Funds are distributed to. In order to prepare the Framework, a formal process of selection, appointment and contractual and funding agreements will be required. This process will be reported separately to the Policy and AHCS.

The benefits of the proposed approach, in terms of growing and leveraging contributions for Affordable Housing stock in the LGA (outlined in further detail in **Attachment 2**). These matters will be discussed in detail in a future report to Council on the Governance and Distribution Framework.

**Advocacy**

The draft Policy carries over and simplifies the advocacy positions in the current Policy, namely that Council will:

- advocate for a minimum target of 30% of new dwellings on government-owned land be designated as subsidised housing (Affordable Housing or Social Housing) in perpetuity and managed by a CHP,
- work with Property NSW for securing under-utilised or surplus government land,
- continue to collaborate with other councils and actively lobby relevant NSW Government ministers and agencies to encourage a more comprehensive approach to provision of Affordable Housing, and
- advocate for cash contributions paid in lieu of a loss of low-rental housing within the LGA to be retained by Council.

**Engagement Plan**

The draft Policy will be exhibited online for 4 weeks in May 2026 and community feedback to be sought via Your Say Inner West (YSIW). The exhibition will be promoted to YSIW subscribers by email and via social media and digital notice boards at libraries and services centres.

Council's Housing for All Local Democracy Group and other relevant stakeholders such as Homes NSW, Aboriginal Housing Office, NSW Department of Planning, Housing and Infrastructure, Community Housing Industry Association (CHIA), Faith Housing Alliance, Shelter NSW, CHPs and other not for profit housing providers will also be consulted directly.

In addition, a roundtable will also be organised with CHIA, Faith Housing Alliance, CHPs and other not for profit housing providers.

During the engagement, Council officers will be available to discuss the project in-person with members of the community, at Ashfield Service Centre on Tuesdays, Wednesdays and Thursdays, between 9am and 5pm.

**LEGAL AND RISK IMPLICATIONS**

Further consideration of the Governance and Distribution Framework and procedure will be provided as this element of the Policy is further developed.

**FINANCIAL IMPLICATIONS**

There are no financial implications associated with the implementation of the proposed recommendations outlined in the report.

**ATTACHMENTS**

1. [Draft Affordable Housing Policy](#)
2. [Supporting Analysis for Draft Affordable Housing Policy \(Atlas Economics\)](#)
3. [NSW Government Circular and Guide for Council Led Affordable Housing on Operational Land](#)

# INNER WEST

## Affordable Housing Policy

Draft for Exhibition



Item 1

Attachment 1



Original version prepared for Inner West Council by Atlas Economics.

Published by Inner West Council

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The original version of this document was adopted by Council on xxx.

A revised version of this document was adopted by Council on xxx.

This version supersedes all other policies addressing Affordable Housing of Inner West Council, former Ashfield Council, Leichhardt Council and Marrickville Council.

Document	[Insert Title] Policy	Uncontrolled Copy When Printed	
Custodian	[Insert Relevant Council Officer]	Version #	Version X
Adopted By	Council	ECM Document #	xxxxxxx
Next Review Date	[Insert date no later than 3 years post adoption e.g. August 2025]		

The below history of the document must be updated and must be accurate, all owners of Policies are to ensure that all previously adopted versions of the policy are included in the below table and that all previous versions have been appropriately removed from circulation to ensure staff are utilising the right document.

Amended by	Changes made	Date Adopted
[Council Department]	[Describe reason for major changes]	Day Month, Year
E.g. Governance & Risk	E.g. Part 6: Value of token gifts and benefits raised to \$100	17 August 2022

INNER WEST

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## Glossary of Terms and Abbreviations

Terms used in the Policy are defined in Table 1.

Table 1: Terms and Definitions

Term	Definition
Affordable Housing	Housing for Very Low, Low and Moderate income households, being such households as are prescribed by the regulations or are provided for in an environmental planning instrument, as defined by the Environmental Planning and Assessment Act 1979.
Affordable Housing Guidelines	The State Environmental Planning Policy (Housing) 2021 (Housing SEPP) further defines Very Low, Low and Moderate income households into those who either pay no more than 30% of gross income in rent, or those eligible under the National Rental Affordability Scheme (NRAS) and pay no more rent than would be charged under NRAS.
Community Housing provider (CHP)	Note: Affordable housing is not the same as social housing. It is open to a broader range of household incomes than social housing. Households do not have to be eligible for social housing to apply for Affordable Housing, though people who are eligible for social housing may also be eligible for Affordable Housing.
Contribution in-kind	Contribution of a completed dwelling or land that is dedicated (gifted) to Council.
Contribution Rate (%)	The percentage contribution rate that is used in the calculation of a contribution requirement.
Creative workers (specifically artists and cultural creators)	<p>There is no Australian statutory definition. Creative Australia groups 'creative work' into two broad groups:</p> <ul style="list-style-type: none"> <li>• Creative services (advertising and marketing, architecture and design, software and digital content)</li> <li>• Cultural production (film, TV and radio, music and performing arts, publishing, visual arts)</li> </ul> <p>Under this framework, creative workers can include:</p> <ul style="list-style-type: none"> <li>• Artists and cultural creators</li> <li>• Creative professionals</li> <li>• Technical and production roles</li> </ul> <p>Only Artists and cultural creators are listed here. These include:</p> <ul style="list-style-type: none"> <li>• Musicians and singers</li> <li>• Actors and performers</li> <li>• Writers and poets</li> <li>• Visual artists</li> </ul> <p>For the purposes of eligibility for Affordable Housing, the specified income bands (Very Low, Low and Moderate incomes) additionally apply.</p>



Term	Definition
Equivalent contribution rate (\$)	The dollar contribution rate that is used to calculate an equivalent monetary contribution in lieu of a contribution in-kind.
Environmental Planning Instrument (EPI)	Environmental Planning Instruments are Local Environmental Plans (LEPs) and State Environmental Planning Policies (SEPPs) that are made under the <i>Environmental Planning and Assessment Act 1979</i> .
Equivalent monetary contribution	The monetary contribution payable in lieu of a contribution in-kind. The equivalent monetary contribution applies the contribution rate (%), the equivalent contribution rate (\$) and the development capacity of a development (GFA).
Gross floor area (GFA)	As defined in the <i>Inner West Local Environmental Plan 2022</i> and the standard template instrument
Key workers	<p>There is no Australian statutory definition. The following list of sectors (and example occupations) are loosely based on the UK definition of “key workers” – people whose jobs are critical to public services and national infrastructure (UK Government, 2021).</p> <ul style="list-style-type: none"> <li>• Health and social care <ul style="list-style-type: none"> <li>○ Doctors, nurses and midwives</li> <li>○ Care workers including aged care</li> <li>○ Pharmacists and healthcare support staff</li> </ul> </li> <li>• Education and childcare <ul style="list-style-type: none"> <li>○ Teachers and teaching assistants</li> <li>○ Nursery and childcare staff</li> </ul> </li> <li>• Public safety and national security <ul style="list-style-type: none"> <li>○ Police</li> <li>○ Firefighters</li> <li>○ Prison staff</li> <li>○ Armed forces</li> </ul> </li> <li>• Transport <ul style="list-style-type: none"> <li>○ Rail, aviation and public transport workers</li> <li>○ Logistics and delivery drivers</li> </ul> </li> <li>• Utilities and communications <ul style="list-style-type: none"> <li>○ Electricity, gas and water workers</li> <li>○ Telecommunications staff</li> <li>○ Postal workers</li> </ul> </li> <li>• Food and necessary goods <ul style="list-style-type: none"> <li>○ Food production and processing</li> <li>○ Supermarket and food retail workers</li> <li>○ Supply chain and distribution</li> </ul> </li> <li>• Government and critical services <ul style="list-style-type: none"> <li>○ Some civil servants</li> <li>○ Justice system staff</li> </ul> </li> </ul> <p>For the purposes of eligibility for Affordable Housing, the specified income bands (Very Low, Low and Moderate incomes) additionally apply.</p>



Term	Definition
Low Income	Households whose gross incomes are 50% or more but less than 80% of the median household income for Greater Sydney, as applicable, as reported by Australian Bureau of Statistics.
Moderate Income	Households whose gross incomes are 80% to 120% of the median household income for Greater Sydney, as applicable, as reported by Australian Bureau of Statistics.
National Rental Affordability Scheme	The National Rental Affordability Scheme (NRAS) is a 2008 Australian Government initiative designed to increase affordable rental housing by offering tax/cash incentives to providers who rent new dwellings 20% below market rates.
National Regulatory System for Community Housing	A regulatory system for providers delivering community housing and related services.
Nominated CHP	Registered not-for-profit community housing provider classified as Tier 1 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.
Public Benefit	Shortened term for 'material public benefit' where work undertaken (e.g. park, public open space, roads, community facilities) deliver public infrastructure for public use.
Social Housing	Social housing is government subsidised, long-term rental housing for people on very low incomes. It includes public, community and Aboriginal housing.  Public housing is managed by NSW Government while community housing is managed by non-government organisations (community housing providers).
Subsidised (non-market) Housing	Collectively term that refers to rental housing that available to eligible households at subsidised rents. Includes social housing and Affordable Housing.
Very Low Income	Households whose gross incomes are less than 50% of the median household income for Greater Sydney, as applicable, as reported by Australian Bureau of Statistics.



# 1 Strategic Context and Background

## 1.1 Policy Purpose and Objectives

### Purpose

The Inner West Affordable Housing Policy (**the Policy**) aims to increase the provision of Affordable Housing in the Inner West local government area (**LGA**).

The Policy provides the background for and sets out where and how much contributions toward Affordable Housing are required where proposals seek to enable or increase the residential capacity of land in the Inner West LGA. Additionally, the Policy details how Affordable Housing should be managed and operated in the LGA.

The Policy sets out:

- Inner West Council (**Council**) objectives for Affordable Housing in the LGA.
- How Council will facilitate the delivery of Affordable Housing.
- Council’s requirements for Affordable Housing.
- What Council will do with Affordable Housing contributions received.

The Policy guides Council’s approach to providing Affordable Housing for the community and defines Council’s role in advocating for Affordable Housing outcomes.

Council is committed to increasing the type and supply of Affordable Housing to meet the needs of its community. The Policy outlines Council’s guiding principles and approach for Affordable Housing, identifies target tenant cohorts and outlines a consistent and transparent process for the receipt and governance of contributions from development.

### Objectives

The objectives of the Policy are to:

1. Recognise the need for affordable rental housing to support sustainable and diverse communities.
2. Enhance economic productivity and support the sustainability of local businesses in the Inner West LGA.
3. Improve access to Affordable Housing for Very Low, Low and Moderate income households, or a combination.
4. Ensure there are opportunities for Very Low to Moderate income workers to live in the community in which they are employed.
5. Facilitate opportunities for Government and community housing providers (**CHPs**) to supply affordable rental housing in the LGA.
6. Outline the requirements for making a contribution for Affordable Housing in addition to the infrastructure needs of the local community, in accordance with a local environmental plan (**LEP**) or other environmental planning instrument (**EPI**).

INNER WEST

The Policy sets the overarching policy direction for the LGA and is reflected in the following documents:

- **Affordable Housing Contribution Scheme (AHCS)** required to insert a clause into the Inner West Local Environmental Plan 2022 (**IWLEP**), allowing collection of Affordable Housing contributions from development on identified (mapped) land.
- **Governance and Distribution Framework** (the Framework) which will detail how Council will administer Affordable Housing contributions (cash, land or housing stock).

The Framework details the process Council will undertake to define how it deals with Affordable Housing stock, cash and land and the terms on which it will form strategic partnerships with the community housing sector and NSW Government. Following a nomination process of a partner community housing provider and execution of a funding agreement, the distribution of Affordable Housing contributions can occur.

Figure 1 illustrates the suite of documents, their relationship and process, and respective decision makers responsible.

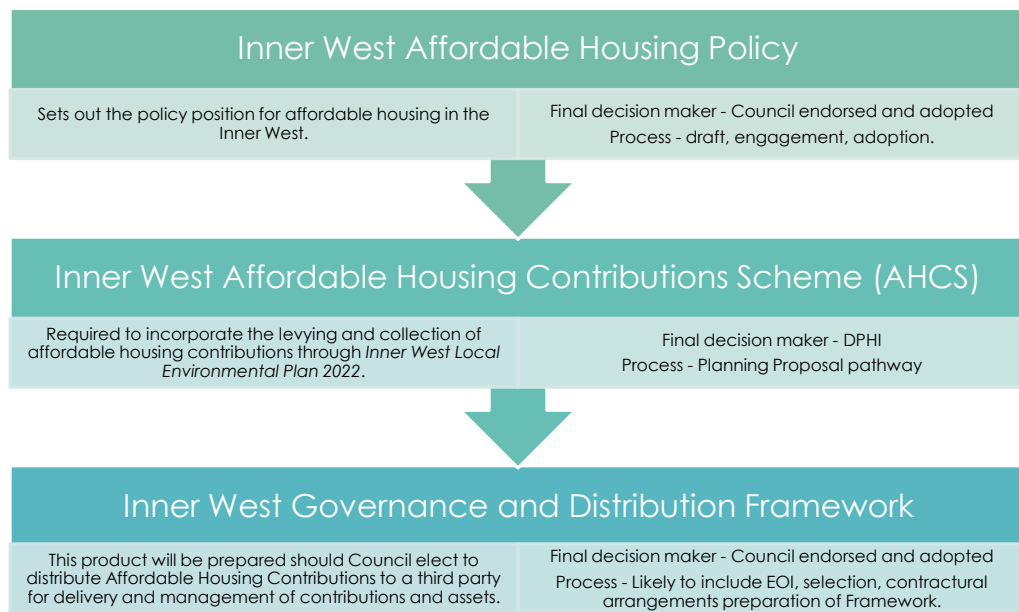


Figure 1: Suite of Affordable Housing Documents

The Policy is consistent with the Inner West Local Strategic Planning Statement (2020) and Inner West Housing Strategy (2020). The Policy replaces the Inner West Affordable Housing Policy (2022).

The Policy was adopted by Council on xxx and came into effect on xxx, replacing Inner West Affordable Housing Policy (May 2022).



**1.2 Application of the Policy**

The Policy applies to all land within the Inner West LGA including:

- Establishing and collecting Affordable Housing contributions for developments, with contributions required as a condition of consent a result of a clause in the IWLEP and an AHCS being in place.
- Ensuring that proposals that seek to enable or increase the residential capacity of land include an appropriate quantum of Affordable Housing contributions.

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 and affordable housing (excluding those delivered under initiatives of the Housing SEPP), including boarding houses (as defined by the Housing SEPP).
- Group homes and hostels.
- Superlot subdivision that does not result in the creation of a residential lot (e.g. subdivision for the purposes of further subdivision, subdivision for a public purpose or a residue lot).
- Subdivision that does not result in the creation of an additional lot (e.g. boundary adjustment).

Section 1 describes the objectives and principles of the Policy, application of the Policy and the rationale and need for Affordable Housing. It also lists Council’s priorities and actions.

Section 2 details when and how much Affordable Housing contributions are required in circumstances of proponent-led proposals and how an Affordable Housing contribution requirement can be satisfied.

Section 3 details the administration matters that arise from implementation of the Policy. This includes how contributions are indexed, used and managed and how the Policy will be monitored.

**1.3 Affordable Housing Principles**

The Policy is guided by affordable rental housing principles informed by the Housing SEPP. The affordable rental housing principles are:

- Affordable Housing aims to create mixed and balanced communities.
- Affordable Housing is provided and managed so that a socially diverse residential population representative of all income groups is developed and maintained.
- Affordable Housing is made available to Very Low, Low and Moderate income households, or a combination.
- Affordable Housing is rented to a mix of eligible tenants at an appropriate rate (%) of gross household income.
- Land provided for Affordable Housing must be used for the purposes of the provision of Affordable Housing.

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- Provision for Affordable Housing is a long-term commitment and buildings must be managed so as to maintain their continued use for affordable rental housing.
- Affordable Housing must consist of dwellings constructed to a standard that, in Council’s opinion, is consistent with other dwellings in the area.

The Affordable Housing Guidelines (**the Guidelines**) (or the NSW Ministerial Guidelines on Affordable Housing) additionally provide guidance on tenancy management and financial management which aim to ensure the financial viability of the community housing sector whilst balancing affordable outcomes for tenants.

### Income Eligibility Limits by Household Size

Income eligibility limits by household type are contained in the Guidelines and listed in Table 2 based on applicable percentages of the Greater Sydney median income. The income eligibility limits are updated and published each financial year.

*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

### Target Tenant Cohorts

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.
- Older people, including older women and long-term residents of the LGA.
- Young people, including those with a social, cultural or economic association with the LGA.
- Certain family cohorts, including sole parent families, and women and their children escaping domestic violence.
- Aboriginal and Torres Strait Islander peoples.

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- People with special housing or access needs, including people with a disability, those at risk of homelessness, and people from culturally and linguistically diverse communities.
- Artists and cultural creators\*\*.

\*there is no Australian statutory definition for a “key worker”, however it is widely understood to represent workers who provide important services to a community. These are often lower-to moderate-income workers and those jobs must be done in person. Common examples include teachers and childcare workers, nurses and allied health staff, police and emergency services, aged care and disability support workers, cleaners, hospitality workers and retail service workers. Refer to the definitions table (Table 1) for guidance on key workers and occupations.

A “key worker” can be distinguished from an “essential worker”. There is also no Australian statutory definition for an “essential worker”, however it is generally understood to represent workers whom society cannot function without. For example, the workers who were critical to keeping society functioning during the COVID-19 pandemic (e.g. healthcare workers, police, fire and emergency services, supermarket workers, utility workers and transport and logistics workers. “Essential workers” could be thought of as a subset to “key workers”.

\*\*there is no statutory definition for a “creative worker”. A creative worker is generally someone who produces, performs, designs or supports cultural or creative content within the creative industries or in creative occupations. Refer to the definitions table (Table 2) for guidance on creative workers (in particular artists and cultural creators).

All the above tenant cohorts **must** satisfy the income requirements of Affordable Housing, i.e. they must fall within the Very Low, Low or Moderate income bands.



Satisfying The Affordable Housing Principles

Affordable Housing contributions made must satisfy the Affordable Housing Principles in accordance with the following requirements:

- Affordable Housing dwellings are dedicated free of cost:
  - the location, size and quality of Affordable Housing dwellings must be to the satisfaction of Council and its nominated CHP. If not to the satisfaction of both parties, Council may require that the contribution is made by way of a monetary contribution.
  - constructed to the standard of other dwellings, not externally distinguishable from other housing.
  - provided to Council in perpetuity, to be maintained in continued use as Affordable Housing.
  - owned by Government or a nominated CHP, or as otherwise provided for in the Governance and Distribution Framework adopted by Council.
  - rented to Very Low, Low and Moderate income households in target tenant cohort groups at no more than 30% of gross income.
- Monetary contributions are:
  - pooled and distributed to Council’s nominated CHP, or as otherwise provided for in the Governance and Distribution Framework adopted by Council.
  - used to build Affordable Housing in the Inner West LGA or adjoining area.
- Residual (surplus) rent is to be used for improving, replacing, maintaining and providing additional Affordable Housing in the LGA.

Below are examples of households who could be eligible for Affordable Housing in the LGA under the Policy.

Working out Tenant Eligibility
<p><b>Example 1</b></p> <p>Sam is a university lecturer and single parent with a 10-year-old son. His gross salary is \$110,000 per annum. Based on the income eligibility thresholds (2025-26), Sam and his son are considered to be a Moderate income household. As a sole parent family, Sam and his son are one of the target tenant cohorts of the Policy.</p> <p>If Sam and his son were housed as Affordable Housing tenants in the Inner West, they would pay rent of no more than \$635 per week. This represents 30% of Sam’s gross income.</p> <p><b>Example 2</b></p> <p>Mary is an aged care trainee worker who lives on her own. Her gross salary is \$55,000 per annum. Based on the income eligibility thresholds (2025-26), Mary is considered to be a Low income single household. As a health and social care worker, Mary is one of the target tenant cohorts of the Policy.</p> <p>If Mary were housed as an Affordable Housing tenant in the Inner West, she would pay rent of no more than \$317 per week. This represents 30% of Mary’s gross income.</p>



**1.4 Council's Affordable Housing Priorities**

Council considers Affordable Housing as a critical part of the Inner West's social and economic wellbeing. There is also national and community-wide acknowledgement that more affordable housing is needed.

While the responsibility for the provision of subsidised housing (mostly social housing) has primarily rested with the State Government and to a lesser extent Federal Government, Council acknowledges that local governments also have an important part to play in enabling the provision of Affordable Housing.

Council recognises that a multi-pronged approach is needed to achieve the policy objective of increasing the provision of Affordable Housing in the Inner West LGA. The following actions are proposed:

- An Affordable Housing Contribution Scheme (AHCS) will apply to land where the IWLEP is amended by a Council or state-led process to enable or increase the residential development capacity. Further areas will be included in the AHCS as development standards, zone and/ or land uses are amended via a Council of state-led process.
- Requirement for land that is subject to proponent-initiated proposals to increase or enable residential capacity to contribute to Affordable Housing (as detailed in this Policy).
- Strategic partnerships with the community housing sector, in recognition of mission-aligned objectives, their specialist expertise and structural tax advantages in developing and managing Affordable Housing dwellings.
- A Governance and Distribution Framework will outline the distribution of Affordable Housing (cash, dwellings, land) to the community housing sector (and a nominated CHP) to enable the 'multiplier effect', i.e. assets that are on the CHP's balance sheet can be leveraged to grow more stock.
- Identification of Council-owned land that is surplus to requirements or with the potential to be repurposed for Affordable Housing to be investigated in partnership with the community housing sector.
- Advocacy to State Government for an increase in subsidised housing (including Affordable Housing) in the Inner West LGA, and at the minimum for no net loss of Affordable Housing following redevelopment.

The Policy does not preclude the nominated CHP from divesting dwellings to improve management, maintenance or renewal of its housing portfolio, however there must be reinvestment in the LGA to ensure no net loss of dwellings. This will be secured through a funding agreement with the CHP and a covenant/ interest registered on title.

Council's Affordable Housing priorities are consistent with the NSW Department of Planning, Housing and Infrastructure (DPHI) – Office of Local Government's *Guide for Council-led Affordable Housing on Operational Land in NSW* (NSW DPHI – OLG, 2026).



Advocacy

Council will advocate 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. Council will work with Property NSW (a division of Department of Finance, Services and Innovation) for securing under-utilised or surplus government land suitable to contribute to affordable housing supply and supporting social infrastructure.

The primary responsibility of ensuring the adequate supply of both social and Affordable Housing to meet the community's housing needs remains with the State and Federal governments.

At the State level, Council will continue to collaborate with other councils and actively lobby relevant State Government ministers and agencies to encourage a more comprehensive approach to the provision of Affordable Housing.

Council will also advocate for cash contributions paid in lieu of a loss of low-rental housing under the Housing SEPP (Chapter 2, Part 3) within the Inner West LGA to be retained by Council. Currently cash contributions paid by developers in lieu of a loss of low-rental housing under the Housing SEPP provisions are transferred to the NSW Government with no requirement that the funds be used to provide Affordable Housing within Inner West LGA.



**1.5 Context and Rationale for Affordable Housing**

Housing is generally considered to be ‘affordable’ when households that are renting or purchasing can meet their housing costs and still have sufficient income to pay for other basic needs such as food, clothing, transport, medical care and education.

*What is Affordable Housing?*

“Affordable housing” (also referred to as Affordable Housing, in capitalised letters “A” and “H”) has a statutory definition under the NSW planning system. Affordable Housing is defined in the *Environmental Planning and Assessment Act 1979 (EP&A Act)* and Housing SEPP as being rental housing for certain eligible households.

In the context of the Inner West local government area (LGA), households eligible for Affordable Housing are:

- on a Very Low income, earning less than 50% of the Greater Sydney median household income.
- on a Low income, earning 50% to less than 80% of the Greater Sydney median household income.
- on a Moderate income, earning 80% to less than 120% of the Greater Sydney median household income.
- Eligible for rental accommodation under the National Rental Affordability Scheme (NRAS). The NRAS program is ending in mid-2026.

As a commonly used rule of thumb, housing is considered to be affordable where households pay no more than 30% of their gross household income on rent or mortgage payments. This is often regarded as the point at which such households are at risk of having insufficient income to meet other living costs and deemed to be in ‘housing stress’. Those paying more than 50% of gross income are regarded as being in ‘severe housing stress’.

Under the Housing SEPP, Affordable Housing is to be charged as follows:

- For Very Low, Low and Moderate income households - at rents of no more than 30% of gross household income.
- For NRAS-eligible households - at rents that would have been charged under NRAS.

Affordable Housing is different to social housing. Social housing is secure and affordable rental housing for people on very low incomes, often with special needs or for priority housing-need households. It includes public housing (managed by State Government), community housing (managed by a CHP) and Aboriginal housing (managed by the Aboriginal Housing Office). Social housing is allocated through the NSW social housing eligibility system which is managed by NSW Government.

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### Why is Affordable Housing Needed

Many current and future residents of the LGA are likely to fall outside the eligibility criteria for social housing but need to spend more than 30% of their gross household income on rent or mortgage payments to live in the LGA. This includes a young person seeking to live near where they grew up, a recently separated or divorced person with children for whom conventional home ownership may no longer be economically viable, households dependent on one (or even two) low or median waged worker, or an older person on a reduced retirement income.

A lack of affordable housing affects the quality of life of individual families by requiring them to sacrifice basic necessities to pay for their housing. It also has a serious impact on employment growth and economic development in an area through the loss of young families and workers in lower paid essential service jobs which can adversely affect local economies and contributes to labour shortages in some areas of metropolitan Sydney.

A lack of Affordable Housing can contribute to a lack of labour supply among very low to moderate income earners who are essential in providing various services including childcare, aged services, health care, tourism, hospitality and emergency services, but whose wage increasingly does not allow them to access housing close to where they work. Affordably priced housing is thus an important form of community infrastructure that supports community wellbeing and social and economic sustainability, including a diverse labour market and economy, and strong and inclusive communities.

The location of affordable housing is a key issue in terms of social equity and sustainability. Providing for a mix of Affordable Housing for different target groups in well-located areas provides for social mix and reduces the potential stigma that can be associated with such accommodation. Locating such housing close to transport and services also provides for the needs of key groups including those with a disability and the frail aged by reducing car dependency and the cost of transport, which can be a significant impost on households and on the environment.

### Who is Responsible for Affordable Housing?

The NSW planning system has various delivery pathways for Affordable Housing.

- The EP&A Act (section 7.32) enables developer contributions for Affordable Housing to be required as a condition of consent if authorised by an Environmental Planning Instrument (EPI) in accordance with a contributions scheme.
  - Developer contributions can take the form of land, completed dwellings or a cash (monetary) contribution. They can also be referred to as 'outright contributions'. These contributions are received by the consent authority (or local council) and are to be applied for the purposes of Affordable Housing in the area, or adjoining area. These contributions can be managed by the consent authority or more commonly distributed to the community housing sector for delivering Affordable Housing.

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- Affordable Housing contributions received under the EP&A Act (as authorised by an EPI such as an LEP) can be distributed to a CHP to deliver Affordable Housing. If the contributions are in the form of completed dwellings, they can also be distributed to a CHP to manage and leverage to grow further stock.
- The Housing SEPP has initiatives that require or incentivise certain residential development proposals to provide a quantum of floorspace for Affordable Housing.
  - Under the infill incentive provisions (Chapter 2, Part 2, Division 1), a floor space ratio bonus or height bonus of up to 30% is available to a residential flat building or shop top housing proposal, if 15% of the gross floor area (GFA) is to be used as Affordable Housing for a period of 15 years.
  - Under the Transport Oriented Development (TOD) provisions (Chapter 5), residential flat buildings or shop top housing on land within 400 metres of a nominated train or metro station is permitted with higher densities. At least 2% of the GFA is to be used for Affordable Housing “in perpetuity” (forever).

Affordable Housing that is delivered under the Housing SEPP is not an ‘outright contribution’ like it is under the EP&A Act. Here the Affordable Housing remains in private ownership (and can be traded), and is managed by a registered CHP for the duration of the period:

- 15 years in the case of the infill incentive provisions; and
- In perpetuity in the case of the TOD provisions.

### The Community Housing Sector

The community housing sector plays an important role in the delivery and management of affordable rental housing. In NSW the community housing sector is comprised of not-for-profit (NfP) and for-profit CHPs.

- NfP CHPs are charities whose purpose is the development and/or management of subsidised housing. They enjoy tax concessional status (Federal and State) and are exempt from local fees and charges.
- For-profit CHPs could be real estate agencies who manage Affordable Housing which they own, or manage housing through a fee-for-service arrangement on behalf of private sector landlords, including Affordable Housing delivered through the Housing SEPP.

CHPs do not receive regular or recurrent funding and rely on Government capital grants, funding subsidy programs and developer contributions to fund delivery of Affordable Housing.

The National Regulatory System for Community Housing (NRSCH) is the national system for the regulation of CHPs across NSW, QLD, SA, TAS, ACT and NT. The NRSCH is intended to support growth and development of the community housing sector. The NRSCH is a voluntary registration system. CHPs are not obliged to register but registration may be a precondition of funding or assistance from policy and funding agencies.

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There are three categories of NRSCH registration:

- Tier 1 CHPs undertake development at scale and have the greatest capacity for property management.
- Tier 2 CHPs undertake smaller-scale development (ongoing or one-off) and also manage housing tenancies.
- Tier 3 CHPs do not generally undertake development activities and primarily perform a management role.

Tier 1 and 2 CHPs have a large balance sheet (from their housing asset base) and the ability to leverage their balance sheet to secure debt finance for development. This is subject to the capacity to service the debt - generally from operating surpluses (the amount that rental income exceeds management expenses) in the business.

NfP CHPs have expertise in the design of purpose-built Affordable Housing and bring structural tax advantages (i.e. they enjoy Federal, State and local tax concessions) and have access to cheaper debt finance (through Housing Australia). Accordingly, they can build housing more cost-effectively than the private sector or Government can. Importantly, they can leverage assets on their balance sheet to grow more housing stock.

If developer contributions (cash or stock) received under the EP&A Act are distributed to a NfP CHP, they can leverage their balance sheet to grow housing stock, while simultaneously using their tax advantages to build the housing cost-effectively. There is consequently a '**multiplier effect**' when Affordable Housing contributions are distributed to the community housing sector.



## 2 Affordable Housing Contributions in Proponent-led Proposals

### 2.1 Enabling or Increasing Residential Capacity of Land

Where a proposal seeks to amend the IWLEP or other EPI to enable or increase the residential capacity of the land, Council will seek a proportion of the proposed residential floorspace as an Affordable Housing contribution. This could be in circumstances where additional residential floorspace is sought on land where the AHCS applies, or on land where no AHCS applies.

The Affordable Housing contributions will be required in the process of proposals that seek to amend development standard or zone or uses of land. This could be in:

- a planning agreement wherein a landowner may offer to enter into a planning agreement with Council to make an Affordable Housing contribution wherein Council's Voluntary Planning Agreements Policy would apply; or
- stated in some other EPI.

This chapter provides guidance on how the Affordable Housing contribution requirement is applied.

### 2.2 Contribution Requirement

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.

Applicable contribution rates will be given effect by amendment of this document by Council resolution.

A contribution requirement will be calculated based on the specified contribution rate applicable to a proposed development, subject to its location.

The contribution rate (%) by proposal type on full implementation of the Policy are in Table 3.

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*Table 3: Contribution Rate (%) by Proposal Type*

Proposal Type	Contribution Rate (%)
Residential uses are permitted in the land use zone Proposal seeks to increase residential development capacity through: <ul style="list-style-type: none"> <li>• Increase to Floorspace ratio (FSR)</li> <li>• increase to Height of building</li> </ul>	10% of additional residential GFA “Additional residential GFA” refers to the residential GFA that is enabled by the proposal above that currently permitted on the site
Residential uses are not permitted in the land use zone Proposal seeks to enable residential development capacity through: <ul style="list-style-type: none"> <li>• Insertion of Additional permitted use</li> <li>• Change of land use zone</li> </ul>	7.5% of residential GFA As residential uses are not currently permitted, any residential GFA would be additional

Table 4 lists equivalent monetary contribution rates by location. These represent the market value of new apartments, at the time of writing.

The achievable sale prices of new apartments depend on a range of factors, including but not limited to location, aspect, quality of finishes and communal facilities. The grouping of Inner West suburbs into five areas reflects the comparability of residential pricing levels which is underpinned by location and amenity (transport accessibility, retail and urban amenity, proximity to Sydney CBD).

*Table 4: Equivalent Monetary Contribution Rate (\$) by Location Grouping*

North	Central	West	East	Waterfront
\$15,000/sqm GFA	\$13,000/sqm GFA	\$12,000/sqm GFA	\$11,000/sqm GFA	\$17,000/sqm GFA
Annandale Camperdown Leichhardt Stanmore	Dulwich Hill Lewisham Marrickville Petersham Summer Hill	Ashbury Ashfield Croydon Croydon Park Hurlstone Park	Enmore Newtown St Peters Sydenham Tempe	Balmain Balmain East Birchgrove Haberfield Lilyfield Rozelle

The equivalent monetary contribution would be calculated by multiplying the percentage (%) contribution rate in Table 3 with the dollar (\$) contribution rate in Table 4.

Note: Table 8 sets out the formula for the indexation of equivalent contribution rates as at 1 July of each financial year.

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Figure 2 illustrates the suburbs within the location grouping.

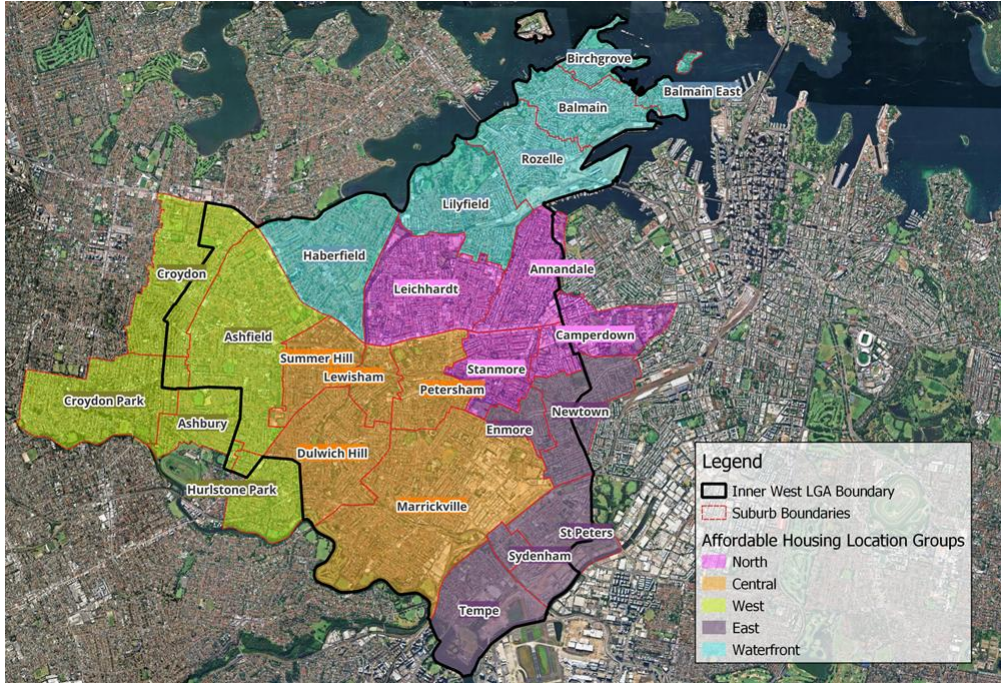


Figure 2: Map of Location Grouping

Source: Atlas Economics

**2.3 Satisfying a Contribution Rate**

Council prefers Affordable Housing contributions in the form of equivalent monetary contributions (refer to section 2.3.1). In some instances, Council may agree to receive Affordable Housing contributions in the form of:

- Dedication of completed dwellings (refer to section 2.3.2).
- Dedication of land (refer to section 2.3.3).

The method of contribution must be acceptable to Council and its nominated CHP. A draft Voluntary Planning Agreement (VPA) letter of offer should indicate the method of contributions, i.e. contribution in-kind (dwellings or land) or equivalent monetary contribution.

Where a monetary contribution is made, Council requires evidence that the condition of consent has been satisfied prior to the granting of a Construction Certificate.

Where dedication of completed dwellings is made, the contribution is satisfied when title to the dwellings is transferred to Council following registration with the Land Registry Services.

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Where dedication of land is made, the contribution is satisfied when title is transferred to Council at issuance of the Subdivision Certificate.

## 2.3.1 Equivalent Money Contribution

Where an offer to make a contribution in-kind (completed dwellings/ land) is not accepted by Council, an equivalent monetary contribution will be required instead. The equivalent monetary contribution is calculated by multiplying the contribution rate (%) by the equivalent contribution rate (\$) by the applicable residential floorspace (GFA).

### Calculating a Contribution

The examples show calculation of an equivalent monetary contribution with reference to contribution rates (%) in Table 3 and equivalent monetary contribution rates (\$) in Table 4.

Table 5: Calculating a Contribution Requirement
<p><b>Example 1</b></p> <p>Land with an area of 1,400sqm in Petersham is zoned MUI Mixed Use, with an FSR control of 3:1. It is currently subject to a contribution requirement of 2% (as provided for in the IWLEP). The existing controls would permit a mixed use development (shop top housing) of 700sqm commercial GFA and 3,500sqm residential GFA.</p> <p>A proponent proposes a higher FSR of 4:1. This would enable 700sqm commercial GFA and 4,900sqm residential GFA. The proposal enables an increase to residential capacity of 1,400sqm GFA.</p> <p>The Affordable Housing contribution is calculated as:</p> <p style="padding-left: 40px;">Additional Residential GFA x 10% = 1,400sqm GFA x 10% = 140sqm</p> <p>An equivalent monetary contribution is calculated as:</p> <p style="padding-left: 40px;">Additional Residential GFA x 10% x contribution rate* (\$) = (1,400sqm GFA x 10% x \$13,000/sqm) = \$1,820,000</p> <p>The Affordable Housing contribution on the base FSR 3:1 is calculated as:</p> <p style="padding-left: 40px;">Residential GFA x 3% = 3,500sqm GFA x 2% = 70sqm</p> <p>An equivalent monetary contribution is calculated as:</p> <p style="padding-left: 40px;">Residential GFA x 2% x contribution rate (\$) = (3,500sqm GFA x 2% x \$13,000/sqm*) = \$910,000</p> <p>The total Affordable Housing monetary contribution is therefore \$2,730,000.</p> <p>* as per Table 4 Equivalent Monetary Contribution Rate</p>

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<p><b>Example 2</b></p> <p>Land with an area of 2,000sqm in Camperdown is zoned E4 General Industrial. A proposal proposes to rezone the land to MUI Mixed Use with an FSR 3:1, for 800sqm commercial GFA and 5,200sqm residential GFA.</p> <p>The Affordable Housing contribution is calculated as:</p> <p style="padding-left: 40px;">Residential GFA x 7.5% = 5,200sqm GFA x 7.5% = 390sqm</p> <p>An equivalent monetary contribution is calculated as:</p> <p style="padding-left: 40px;">Residential GFA x 7.5% x contribution rate (\$) = (5,200sqm GFA x 7.5% x \$15,000/sqm*) = \$5,850,000</p> <p>Note the examples are simplified with no exemptions available. The dollar rates would be subject to indexation.</p> <p>* as per Table 4 Equivalent Monetary Contribution Rate</p>
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2.3.2 Dedication of Dwellings

The Affordable Housing contribution requirement may be satisfied through the dedication of completed dwellings free of cost and to the satisfaction of Council. The completed dwellings must meet the following requirements:

- Align with the Affordable Housing Principles in section 1.2.
- Be in a location, and of a size and quality of dwelling that is to the satisfaction of Council and its nominated CHP and generally to the standard of new housing in the locality.
- Not be distinguishable from market housing within the development, i.e. it is 'tenure blind'.
- Total gross floor area (**GFA**) exceeds 50sqm. If the GFA is less than 50sqm, a monetary contribution will be required instead.

The requirements that underpin the suitability of the dedication of dwellings is further detailed in **Schedule 1**.

Where a slightly larger dwelling than required is dedicated, there will be no refund or offset of other contributions. Where only part of the contribution is satisfied through dedication of completed dwellings, any remaining requirement is to be paid as an equivalent monetary contribution with reference to rates in Table 4.

If an offer of completed dwellings is not to Council's satisfaction, it will require an equivalent monetary contribution.

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## Calculating a Contribution

The examples show calculation of the relevant requirement with reference to contribution rates (%) in Table 3 and equivalent monetary contribution rates (\$) in Table 4 (if applicable).

Table 6: Calculating a Contribution Requirement
<p><b>Example 1</b></p> <p>Land with an area of 1,400sqm in Dulwich Hill is zoned MUI Mixed Use, with an FSR control of 3:1 and is subject to an Affordable Housing contribution requirement of 2% (as provided for in the LEP). The existing controls would permit a mixed use development (shop top housing) of 700sqm commercial GFA and 3,500sqm residential GFA.</p> <p>A proponent proposes a higher FSR of 4:1. This would enable 700sqm commercial GFA and 4,900sqm residential GFA. The proposal enables an increase to residential capacity of 1,400sqm GFA.</p> <p>The Affordable Housing contribution is calculated as:</p> <p style="padding-left: 40px;">Additional Residential GFA x 10% = 1,400sqm GFA x 10% = 140sqm</p> <p>The Affordable Housing contribution on the base FSR 3:1 is calculated as:</p> <p style="padding-left: 40px;">Residential GFA x 3% = 3,500sqm GFA x 2% = 70sqm</p> <p>The total Affordable Housing dedication requirement is therefore 210sqm GFA.</p> <p>If 180sqm GFA is dedicated, the remaining contribution (30sqm GFA) can be satisfied through an equivalent monetary contribution. A monetary contribution is calculated as:</p> <p style="padding-left: 40px;">30sqm GFA x \$13,000/sqm = \$390,000</p>
<p><b>Example 2</b></p> <p>Land with an area of 2,000sqm in Camperdown is zoned E4 General Industrial. A proposal proposes to rezone the land to MUI Mixed Use with an FSR 3:1, for 800sqm commercial GFA and 5,200sqm residential GFA.</p> <p>The Affordable Housing contribution is calculated as:</p> <p style="padding-left: 40px;">Residential GFA x 7.5% = 5,200sqm GFA x 7.5% = 390sqm to be dedicated</p> <p>If 360sqm GFA is dedicated, the remaining contribution (30sqm GFA) can be satisfied through an equivalent monetary contribution. A monetary contribution is calculated as:</p> <p style="padding-left: 40px;">30sqm GFA x \$15,000/sqm = \$450,000</p> <p>Note the examples are simplified with no exemptions available. The dollar rates would be subject to indexation.</p>



2.3.3 Dedication of Land

The acceptability of land for dedication is subject to Council’s discretion in consultation with its nominated CHP.

The value of the dedicated land should be equivalent to the monetary contribution calculated under the Policy. An independent valuation of the land to be dedicated should be obtained by the proponent. Council may choose to engage its own valuation (at the proponent’s cost) to review the proponent’s valuation provided.

If an Affordable Housing contribution is made via the dedication of land, it must meet the following requirements:

- Align with the Affordable Housing Principles in section 1.2
- Have a minimum land area of 800sqm.
- Not be:
  - contaminated land requiring remediation,
  - subject to flood planning area or tidal inundation constraints,
  - subject to heritage affectations under IWLEP Schedule 5 or the State Heritage Register,
  - subject to high aircraft noise (Sydney Airport ANEF 25+ noise contours), or otherwise satisfied for acoustic treatment in accordance with the Australian Standards or
  - within 200m of a relevant pipeline with the meaning of State Environmental Planning Policy (Transport and Infrastructure) 2021, section 2.77.
- Have access, locational and site characteristics comparable to the proposed development.

If the assessed land value is less than the equivalent monetary contribution, any remaining requirement is to be satisfied as a monetary contribution. If the assessed land value is higher, no offset or refund is applicable.

Calculating a Contribution

The example shows where a contribution is made through part dedication of land/ part monetary contribution with reference to the equivalent contribution rates (\$) in.

Table 7: Calculating a Contribution Requirement
<p>Land with an area of 3,000sqm in Camperdown is zoned E4 General Industrial. An R4 High Density Residential zone and FSR 2:1 is proposed to permit a residential flat building development at 6,000sqm GFA.</p> <p>The Affordable Housing contribution is calculated as:</p> <p style="text-align: center;">Residential GFA x 7.5% = 6,000sqm GFA x 7.5% = 450sqm</p> <p>An equivalent monetary contribution is calculated as:</p>

## INNER WEST

Residential GFA x 7.5% x contribution rate (\$) =  
(12,000sqm GFA x 7.5% x \$15,000/sqm) = \$6,750,000

If contribution through land dedication is proposed, consideration should be given to whether the floorspace associated with the dedicated land can be transferred and developed elsewhere on the site. If the floorspace potential (GFA) is foregone with the land that is dedicated, the calculation would be different.

The two scenarios are illustrated as follows:

**Scenario 1** - GFA cannot be transferred/ developed elsewhere

- If the land proposed for dedication (1,090sqm) is valued at \$6,800,000, its value is more than the equivalent monetary contribution of \$6,750,000 required. If accepted, no offset or refund is applicable.
- If the land proposed for dedication (800sqm) is valued at \$5,000,000, its value is less than the equivalent monetary contribution of \$6,750,000 required. A monetary contribution of \$1,750,000 is required.

**Scenario 2** - GFA can be transferred/ developed elsewhere

- The land should be transferred to Council at a nominal cost (\$200/sqm).
- If the land proposed for dedication measures 800sqm, a monetary contribution of \$6,590,000 is to be made, calculated:

Equivalent monetary contribution - nominal cost of \$160,000 (800sqm x \$200/sqm)  
= \$6,750,000 - \$160,000 = \$6,590,000

Note the examples are simplified with no exemptions available.

### Other Public Benefits Offered

The requirement for Affordable Housing contributions could be waived or reduced at Council's sole and absolute discretion where a proponent has made an offer to enter into a voluntary planning agreement to provide other agreed material public benefits of a commensurate scale and value.

### Viability Testing in Proponent-initiated Proposals

Where a proposal seeks to amend a development standard or zone or uses of land to enable or increase the residential capacity of the land, and also seeks to make an Affordable Housing contribution that is lower than the contributions as required under the Policy, an open book validation approach could be taken.

The proponent should provide a feasibility analysis that includes:

- Development parameters, cost and revenue assumptions and target hurdle rates.
- Supporting documentary evidence (including contract of sale for land, cost plan, valuation report).

Council would commission a peer review of the feasibility analysis at the cost of the proponent.

## INNER WEST

In the alternative, Council would commission (at the cost of the proponent):

- A feasibility analysis by an appropriately qualified land economist.
- A cost plan by an appropriately qualified quantity surveyor.

The proponent agrees to provide all information requested by Council's engaged consultants.



### 3 Administration and Implementation

#### 3.1 Introduction

This section details the administration matters that arise from implementation of the Policy. This includes Council’s housing priorities and advocacy agenda. The section additionally details how contributions are indexed, used and managed and how the Policy will be monitored.

#### 3.2 Making a Contribution and Indexation of Rates

Affordable Housing contributions received under this Policy could be in the following circumstances:

- Required as a condition of consent.
- Offered, accepted and executed via a planning agreement.

Affordable Housing contributions executed via a planning agreement are subject to Council’s VPA Policy. The ordinary process of VPAs would apply. This would culminate in the planning agreement being registered on the land title and added to Council’s voluntary planning agreements website register and State Government website (as required).

Following the making of the IWLEP amendments, contribution payments will be required:

- **Monetary contribution** - at the Construction Certificate stage.
- **Dedication of completed dwellings** - at the issue of Occupation Certificate (or as otherwise legally permitted).
- **Dedication of land** - at the Subdivision Certificate stage.

The contributions will need to be updated at the time of payment to the most recent indexed values, in accordance with the indexation formula set out in this section.

#### [Indexation of Contribution Rates](#)

The equivalent contribution rates (\$) will be adjusted annually by Council within one week of the first business day after 1 July or within one week of the issue of the Quarterly Rent and Sales Report, whichever occurs last. Rates will be adjusted to movement in the median price of strata dwellings in the Inner West LGA. This is published quarterly in the *NSW Government Rent and Sales Report, Table 3. Sale Prices - NSW LGAs*.

<b>Table 8: Indexation of Equivalent Contribution Rates (\$)</b>
<p>The indexation calculation is as follows, applicable as at 1 July of each financial year for the ensuing 12 months:</p> $\text{New equivalent contribution rates (\$)} = \text{equivalent contribution rates} \times \left( \frac{\text{updated median price}}{\text{former median price}} \right)$



All equivalent monetary contributions should be indexed at the time of payment to ensure they are reflective of these adjustments. Affordable Housing contributions required as part of a condition of consent will be indexed at the time of consent.

Making Payment

- If the proponent is unable to make payment at the time required, Council must be provided with evidence to this effect. In such cases, a deferred payment can be arranged via a bank guarantee where:
- The bank guarantee is furnished by an Australian bank for the total or outstanding contribution amount plus interest.
- The bank guarantee requires the bank to unconditionally pay the guaranteed sum to Council at the time specified in the agreement or within any further time period advised by Council where a variation to the original agreement has been approved.
- The proponent will be required to pay all costs incurred in the establishment, operation, administration or discharge of the bank guarantee.
- The bank's obligations are discharged when payment to Council is made in accordance with the bank guarantee, or when Council notifies the bank in writing that the bank guarantee is no longer required (and arrangements are made for its return to the bank), or if the related consent lapses.

The decision to accept a deferred payment is at the sole and absolute discretion of Council.

**3.3 Use and Management of Contributions**

How Contributions are to be Used

Contributions of Affordable Housing dwellings are to be gifted/ dedicated free of cost to Council for transfer to its nominated CHP, or as otherwise provided for in the Governance and Distribution Framework adopted by Council.

Contributed dwellings are to remain Affordable Housing in perpetuity, or until replaced with Affordable Housing dwellings in the Inner West LGA and are to be owned and managed in accordance with the Affordable Housing Principles under the Policy.

Monetary contributions will be paid to, received, pooled and managed by Council in its sole and absolute discretion. As sufficient funding becomes available, Council will consult with its nominated CHP on the opportunity to combine contributions received by Council under the Scheme, with the CHP's own resources and/ or with the resources of agencies such as Homes NSW, Housing Australia, Landcom, etc.

## INNER WEST

### Management of Funds

The pooling of monetary contributions will have consideration for:

- Immediate use of contribution funds for purchase of dwellings for Affordable Housing in the Inner West LGA.
- The aggregation of contribution funds for Affordable Housing development in the Inner West LGA.
- Land and funding packages, where land is made available by supplementary sources for developing Affordable Housing dwellings.
- How the funding will be leveraged to maximise the quantum of Affordable Housing dwellings.

Priority will be given to NfP CHPs registered as Tier 1 under the National Regulatory Code, and who have appropriate experience in the LGA. Council will nominate a NfP CHP to receive Affordable Housing contributions received. The appointment will last for a term of at least five years, after which a new tender will be issued for the next term.

The nominated CHP will take ownership and management responsibilities for any monetary or in-kind contributions gained during their term. Affordable Housing contributions so transferred to the nominated CHP will be done so on the condition that they will be retained for the purpose of Affordable Housing in the Inner West LGA, in perpetuity. Any withdrawal of Affordable Housing dwellings must be replaced with an equivalent dwelling and be subject to Council's agreement.

A Governance and Distribution Framework will be prepared that will outline how funds received or dwellings procured/ delivered will be used and the requirements for reporting and transparency. This will be secured through a funding agreement executed with the nominated CHP and a covenant/ interest registered on title.

Council may provide direction on the CHP's procurement in relation to target demographics or locations for Affordable Housing and how these speak to Council and state-led planning processes.

### Management of Affordable Housing

Management of Affordable Housing that is delivered under the EP&A Act (from developer contributions) will be undertaken by Council's nominated CHP.

Management of Affordable Housing that is delivered under various initiatives of the Housing SEPP will be managed by a registered CHP (Tier 1, 2 or 3 under NRSCH).

Management of Affordable Housing must be in line with the definition of Affordable Housing and the Guidelines which provides guidance on a range of tenant management matters.

The Policy aims to ensure that Affordable Housing is available:

- That meet the requirements of Very Low, Low and Moderate income households.
- At rents of no more than 30% of a household's gross income.



- In a manner that NfP CHPs can meet associated finance and other operating costs and be financially sustainable.

Council acknowledges that rents set must ensure tenants pay an amount they can afford. Council also acknowledges the importance of the NfP CHP being financially sustainable.

### 3.4 Monitoring of the Policy

The Policy will be reviewed a minimum of once every term of Council, or more frequently as required. The review will consider:

- Dollar contribution rates against market sales activity.
- Quantum of Affordable Housing contributions received, including type, quality and locational characteristics of contributions in-kind (dwellings, land) received.
- Total amount of monetary contributions received, pooled and awaiting pooling.
- Allocation of funds for the purchase of dwellings for Affordable Housing.
- Allocation of funds to Council's nominated CHP and Affordable Housing delivery outcomes.
- Council's policy advocacy initiatives and agenda.
- Maintenance and management issues.



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9 April 2026

Daniel East  
Inner West Council

Sent via email: [daniel.east@innerwest.nsw.gov.au](mailto:daniel.east@innerwest.nsw.gov.au)

Dear Daniel,

## Re: Inner West Affordable Housing Policy

Atlas Economics (**Atlas**) is engaged by Inner West Council (**Council**) to assist with a review and update of the Inner West Affordable Housing Policy (**the Policy**).

### Background

In September 2025, Council endorsed Our Fairer Future Plan subject to post-exhibition amendments for submission to NSW Government for implementation via a State-led fast track approved pathway.

Council additionally made the following resolutions in relation to the Policy:

5 That Council base our policy regarding acquisition of affordable housing through private development in upzoned areas on the City of Sydney's principles that have been successfully implemented. This is to include:

- a. Adoption of 2% affordable housing contribution, moving to 3% after 3 years, across all privately owned land in upzoned areas;
- b. Consideration of a 1% affordable housing contribution on all non-residential lands within the local government area, with the plan for phasing and introduction of this to be included in the studies for the State 2 of Our Fairer Future Plan; and
- c. Inclusion of a 20% affordable housing contribution for any additional proposed floor space beyond the baseline provision, in upzoned areas. This is to be based on the City of Sydney's policy and to be determined through Stage 2 investigations of the Fairer Future Plan.

16 That in order to support Our Fairer Future Plan, the following policy work commence to be brought to Council for consideration prior to exhibition:

- a. A new Local Infrastructure Delivery Plan and update to the Inner West Contributions Plan to cater for the increased local infrastructure demands across the LGA;
- b. A harmonised Development Control Plan based on both feedback from development stakeholders and the Draft Design Guides; and
- c. The Inner West Affordable Housing Policy be reviewed as outlined in Attachment 1 Engagement Outcomes Report with the addition of a definition of affordable as per the Housing SEPP as housing for very low, low and moderate income households, with tenants not to pay more than 30% of their gross household income in rent.

Atlas has reviewed and prepared an updated Policy which addresses resolutions 5c and 16c. This letter outlines the analysis and rationale that underpin key recommended policy positions relating to the governance of affordable housing, affordable housing contributions for proposals seeking additional floorspace and methods of contribution.

Beyond the  
horizon thinking.

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## Governance of Affordable Housing

The governance of Affordable Housing relates to how affordable housing contributions (dwellings, cash or land) are used and managed. Before examining the issue of governance, it is useful to define affordable housing.

### WHAT IS AFFORDABLE HOUSING?

"Affordable housing" (also Affordable Housing, in capitalised letters "A" and "H") has a statutory definition under the NSW planning system. Affordable Housing in the *Environmental Planning and Assessment Act 1979 (EP&A Act)* and *State Environmental Planning Policy (Housing) 2021 (Housing SEPP)* is rental housing for certain eligible households.

In the context of the Inner West local government area (LGA), households eligible for Affordable Housing are:

- on a Very Low income, earning less than 50% of the Greater Sydney median household income.
- on a Low income, earning 50% to less than 80% of the Greater Sydney median household income.
- on a Moderate income, earning 80% to less than 120% of the Greater Sydney median household income.
- Eligible for rental accommodation under the National Rental Affordability Scheme (NRAS), which is ending in mid-2026.

As a commonly used rule of thumb, housing is considered to be affordable where households pay no more than 30% of their gross household income on rent or mortgage payments. This is often regarded as the point at which such households are at risk of having insufficient income to meet other living costs and deemed to be in 'housing stress'. Those paying more than 50% of gross income are regarded as being in 'severe housing stress'.

Under the Housing SEPP, Affordable Housing is to be charged as follows:

- For Very Low, Low and Moderate income households - at rents of no more than 30% of gross household income.
- For NRAS-eligible households - at rents that would have been charged under NRAS.

Affordable Housing is different to social housing. Social housing is secure and affordable rental housing for people on very low incomes, often with special needs or for priority housing-need households. It includes public housing (managed by State Government), community housing (managed by a community housing provider) and Aboriginal housing (managed by the Aboriginal Housing Office). Social housing is allocated through the NSW social housing eligibility system which is managed by NSW Government.

### THE COMMUNITY HOUSING SECTOR

The community housing sector plays an important role in the delivery and management of Affordable Housing. In NSW the sector is comprised of not-for-profit (NfP) and for-profit community housing providers (CHPs).

- NfP CHPs are charities whose purpose is the development and/ or management of subsidised housing. They enjoy tax concessional status (Federal and State) and are exempt from local fees and charges.
- For-profit CHPs could be real estate agencies who manage Affordable Housing which they own, or manage housing through a fee-for-service arrangement on behalf of private sector landlords.

CHPs do not receive regular or recurrent funding and rely on Government capital grants, funding subsidy programs and developer contributions to fund delivery of Affordable Housing.

The National Regulatory System for Community Housing (NRSCH) is the national system for the regulation of CHPs across NSW, QLD, SA, TAS, ACT and NT. The NRSCH is intended to support growth and development of the community housing sector. The NRSCH is a voluntary registration system. CHPs are not obliged to register but registration may be a precondition of funding or assistance from policy and funding agencies.

There are three categories of NRSCH registration:

- Tier 1 CHPs undertake development at scale and have the greatest capacity for property management.
- Tier 2 CHPs undertake smaller-scale development (ongoing or one-off) and also manage housing tenancies.
- Tier 3 CHPs do not generally undertake development activities and primarily perform a management role.

Tier 1 and 2 CHPs have a large balance sheet (from their housing asset base) and the ability to leverage their balance sheet to secure debt finance for development. This is subject to the capacity to service the debt - generally from operating surpluses (the amount that rental income exceeds management expenses) in the business.



NfP CHPs have expertise in the design of purpose-built Affordable Housing and bring structural tax advantages (i.e. they enjoy Federal, State and local tax concessions) and have access to cheaper debt finance (through Housing Australia). Accordingly, they can build housing more cost-effectively than the private sector or Government can. Importantly, they can leverage assets on their balance sheet to grow more housing stock.

If developer contributions (cash or stock) received are distributed to a NfP CHP, the CHP can leverage their balance sheet to grow housing stock, while simultaneously using their tax advantages to build the housing cost-effectively. There is consequently a '**multiplier effect**' when contributions are distributed to the community housing sector.

In updating the Policy for Council, Atlas met with a number of CHPs, a summary of discussions is at Schedule 1

#### CHP VALUE-ADD TO AFFORDABLE HOUSING OUTCOMES

Given that the core business of NfP CHPs is the provision of Affordable Housing, their involvement enables economies of scale and portfolio optimisation, which assists development feasibility, and thereby, enables the delivery of further Affordable Housing.

There is corroborating evidence for this end-to-end value-add of NfP CHPs, i.e. from delivery to management.

- Financial modelling of the **delivery of dwellings** (Paxon, 2022) finds that:
  - Collaboration with a CHP result in a potential cost saving to a local council of up to approx. \$60,000 per dwelling. This is due to the ability of a CHP to access additional financing sources.
  - A positive multiplier of up to 27% exists when housing stock is transferred to a CHP. This is because the housing stock can be leveraged to deliver up to 27% additional Affordable Housing. In simple terms, for one dwelling that could be delivered, 1.27 dwellings could be delivered if existing housing stock were transferred to a CHP. This is the 'multiplier effect' referred to earlier.

This multiplier effect can be observed at play in the NSW asset vesting program (early 2010's), which was designed to grow the community housing sector. There were a number of key steps in the program:

- The NSW Government funded development of around 6,000 dwellings, which were to be transferred to CHPs upon completion.
- Competitive tenders by CHPs included commitments to leverage (borrow against) the value of the transferred dwellings to finance some 1,300 additional affordable housing dwellings (a multiplier of 21%).

While the success of the program is largely viewed as mixed, the program is considered a catalyst in growing the size, diversity and professional capacities of the community housing sector (AHURI, 2017).

- When it comes to the **operation and management of dwellings** (existing or newly completed housing),
  - NfP CHPs enjoy tax concessional status (Federal, State and local) and therefore have a lower operating cost base than the private sector or Government.
  - Community housing tenants pay a proportion of their income in rent plus Commonwealth Rental Assistance (**CRA**). Therefore, because CHPs are eligible for CRA, their revenue income is higher than if the housing is managed by Government.

Financial modelling of the operational phase of housing finds a higher return on investment when managed by CHPs compared to when managed by Government (Equity Economics, 2021).

As the Paxon study (2022) observes, a local council may forego some excess revenue (operating surpluses) when management of housing is transferred to a CHP, however this should be balanced against the following factors:

- Risks avoided by the local council in not being responsible for tenancy and asset management;
- Financial efficiencies achievable by a CHP, with operating surpluses achieved from housing can be recycled into further Affordable Housing; and
- The opportunity for further housing outcomes where management by a CHP is combined with ownership.

Being in the business of community housing, NfP CHPs have the know-how and expertise to design, build and manage. They also bring structural tax advantages and have access to cheaper debt finance, which means they can build housing more cost-effectively than the private sector or Government can. Critically, they can leverage assets on their balance sheet to multiply housing stock.

There is value in utilising a NfP CHP for end-to-end governance of Affordable Housing, from delivery to operation and management of Affordable Housing.















































































































**Item No:** C0426(2) Item 2  
**Subject:** PUBLIC EXHIBITION - DRAFT INNER WEST DEVELOPMENT CONTROL PLAN  
**Prepared By:** Simone Plummer - Director Planning

Item 2

**RECOMMENDATION**

1. That Council endorse the draft Inner West Development Control Plan and Solar Panels Policy on front roof planes in Heritage Conservation Areas for a 28-day consultation period in accordance with the requirements of *Environmental Planning and Assessment Act 1979*.
2. That the community consultation of the draft Inner West Development Control Plan be undertaken as outlined in this report and include:
  - a) Newsletter notification to the whole LGA;
  - b) At least two targeted feedback sessions with industry professionals; and
  - c) A ‘meet the planner’ community drop-in session.
3. That Council delegate authority to the Director Planning to make any minor changes to correct any omissions, errors or inconsistencies to the draft Inner West Development Control Plan prior to exhibition.
4. That Council receive a post exhibition report for its consideration.

**STRATEGIC OBJECTIVE**

This report supports the following strategic directions contained within Council’s Community Strategic Plan:

- 1: An ecologically sustainable Inner West
- 2: Liveable, connected neighbourhoods and transport
- 3: Creative communities and a strong economy
- 4: Healthy, resilient and caring communities
- 5: Progressive, responsive and effective civic leadership

**EXECUTIVE SUMMARY**

In compliance with the Code of Meeting Practice issued by the Office of Local Government in 2025, Council has not held any pre-meeting briefings in respect of the matters discussed in this report. This report is therefore the first time Council has been presented with the relevant information to inform its decision making on the matters in this report.

Council officers have prepared a draft Inner West Development Control Plan (IWDCP) (Attachment 1) to replace the three current Development Control Plans that apply in the former Ashfield, Leichhardt and Marrickville Council areas. Together the current documents exceed 3,100 pages which is a rough indicator of the challenge to the user. The new draft IWDCP is just over 600 pages and includes explanatory diagrams and a plain English approach.

The draft IWDCP is principles-based and focuses on design quality and responding to local context. It also includes updated controls to reflect current Council policy and best practice, including Our Fairer Future Plan, affordable and accessible housing, maximum parking rates, all electric buildings and Connecting with Country.

This report summarises the content of the draft IWDCP, explains the development of an electronic DCP (eDCP), and sets out the proposed consultation approach. Council is asked to endorse the draft IWDCP for public exhibition.

## BACKGROUND

A development control plan (DCP) sets out detailed planning controls that support the Local Environmental Plan (LEP). The Inner West LEP commenced in 2022, but multiple DCPs still apply across the local government area, reflecting the former council boundaries.

Preparation of a single consolidated Inner West DCP has been underway with varying levels of resourcing for several years. Council resolutions made over time have also guided the development of this draft.

At its meeting held on 18 November 2025, Council resolved the following:

1. *That Council notes the existing Development Control Plans (DCPs) are criticised for being overly complicated, archaic, and difficult to interpret.*
2. *That Council reviews and consolidates the three existing Development Control Plans (Ashfield DCP, Leichhardt DCP, and Marrickville DCP) into a single, simplified, principles-based Development Control Plan for the Inner West Local Government Area.*
3. *That Council develops the new DCP as a principles and objectives based instrument grounded in design quality, sustainability and climate resilience, and contextual responsiveness principles to prioritise design outcomes, provide flexibility for contextually appropriate development and enable professional judgment to guide site-specific design responses.*
4. *That Council incorporates the Design Guide and all previous Council resolutions and adopted motions relating to development controls, including solar panels in heritage conservation areas and considers the transition from high, medium and low density areas.*
5. *That Council examine the integration of the State Government's new pattern book designs within the new DCP to standardise design elements and provide clear visual guidance for applicants and the community.*
6. *That Council allocate the DCP review and consolidation as the first and priority project for the newly appointed City Architect to lead the DCP project and directly engage with local architects and planners, to ensure it reflects best practice.*
7. *That Council notes that the objectives of this DCP are to support high-quality, sustainable development outcomes and:*
  - a. *Reduce the number of matters proceeding to the Land and Environment Court;*
  - b. *Provide greater certainty for residents and applicants;*
  - c. *Streamline development assessment processes; and*
  - d. *Ensure consistency across the LGA.*
8. *That Council brings back a draft DCP to the April 2026 Council meeting for review prior to community consultation.*

At the Council meeting held on 17 February 2026, Council resolved, in part, the following:

6. That the Inner West Development Control Plan be reported to the April 2026 council meeting.

Attachment 2 lists the remaining Council resolutions relevant to drafting the Inner West Development Control Plan.

## DISCUSSION

Council currently administers three area-based Development Control Plans (DCPs) within the Inner West, applying to the former council areas of Ashfield, Leichhardt, and Marrickville. A single comprehensive Inner West Development Control Plan (DCP) has been prepared to replace these DCPs. This report seeks Council endorsement to place the draft on public exhibition.

The draft Inner West DCP responds to outstanding Council resolutions, and updates development controls to reflect current Council policies and contemporary best practice. It includes:

- Our Fairer Future
- Affordable, adaptable and accessible housing
- Maximum parking rates
- All-electric buildings
- Designing with Country
- Desired Future Character statements for the entire LGA

The proposed IWDCP contains five parts:

### ***Part 1 – Using the DCP***

Explains the DCP’s purpose, where it applies, the legislative context, and how to use it.

### ***Part 2 – General Considerations for Development***

Sets controls that apply to most development, such as urban design and built form, amenity and parking. It also provides guidance on broader matters, including signage, housing diversity and the night-time economy.

### ***Part 3 – Land Use Controls***

Sets controls for specific types of development, including residential (from single dwellings to residential flat buildings and boarding houses), commercial and mixed-use, and industrial development.

### ***Part 4 – Place Specific Controls***

Includes statements on Country and Desired Future Character, plus additional controls for specific places governed by the DCP, such as neighbourhoods, heritage conservation areas and master-planned sites

### ***Part 5 – Definitions and Abbreviations***

Defines key terms used in the DCP.

## Approach to the IWDCP

The IWDCP has been informed by:

- Reviewing:
  - DCPs across Sydney, particularly in areas in which they excel.
  - NSW Government Guidelines
  - The NSW Housing Pattern Book
- Interaction and compliance with NSW Planning Legislation
- Discussions with regular applicants, planners, architects

- Industry standards
- Discussions with relevant teams in Council including resources recovery, strategic transport planning, asset planning, ecology, legal, development assessment, community services

Some matters were addressed differently between the previous DCPs while others have evolved in response to new policy directions. To demonstrate consistent application and for clarity the approach to these matters is outlined below;

### **Parking**

The approach to parking in the IWDCP is consistent with the approach outlined with *Our Fairer Future Plan Design Guide* as it seeks to minimise car usage in the Inner West through the use of maximum car parking rates. This is also consistent with the approach currently use in Leichhardt DCP 2013. The maximum car parking rates in IWDCP have been informed through *Our Fairer Future Plan Design Guide* and pedestrian catchment modelling that varies maximum parking rates depending on a sites vicinity to public transport.

Council’s Parking Strategy is currently on exhibition until 5 May 2026 and outlines how to manage parking better for residents, businesses and visitors. The Strategy aims to make existing parking better and to prioritise parking for people who need it most. It is consistent with the draft DCP and envisages maximum car parking rates as well as focussing on places where parking is hardest to find such as in town centres, around train stations and in dense neighbourhoods.

### **Heritage**

The heritage approach in the IWDCP clarifies what is significant in an area and outlines how development can appropriately respond to that significance, while allowing for new development that respects heritage values. The intention is to provide a more flexible approach to developing in Heritage Conservation Areas (HCAs). This has been done through providing general heritage guidance in Section 2.12, and detailed heritage guidance for specific areas in Part 4. Additionally, it seeks to balance new development through transition zones to heritage items/areas, retention of significant street façades.

The purpose of the Solar Panels Policy shown in Attachment 3 is to provide clear guidelines for the installation of solar panels in heritage conservation areas. Under Clause 5.10(3) of the Inner West Local Environmental Plan 2022, development consent through a DA is not required for certain works in a Heritage Conservation Area (HCA) such as solar panels where the applicant has submitted a fast track Heritage Exemption Certificate (HEC) and received written confirmation from Council before works commence. The policy signals that treatment of energy efficiency solutions is in line with recent changes to the Heritage Act and in particular facilitates solar panels in HCAs even where located on the front roof plane.

### **Landscaping**

The IWDCP’s landscaping approach prioritises retaining space for tree planting within private development sites. This principle will be embedded more consistently through changes to be considered as part of *Our Fairer Future Stage 2*. Until then landscape area controls for Leichhardt remain in IWLEP2022 and consistent controls for deep soil zones are articulated within the IWDCP and will apply across the whole of the Inner West, including Marrickville and Ashfield.

### **Trees**

Private-land tree removal controls have been reviewed and refined to provide a clearer and fairer assessment framework, while allowing flexibility for the removal of healthy trees in limited and well-justified circumstances.

***Interaction with NSW Planning Legislation***

Several planning approval pathways in NSW do not require consideration of the Inner West DCP, particularly relevant to the Inner West are Exempt and Complying Development and State Significant Development (SSD). The IWDCP therefore does not apply to design quality for larger SSD projects. The draft IWDCP is consistent with the NSW Apartment Design Guide.

***General Approach***

The resolution of the Ordinary Council meeting of November 2025 required specific attention to the following matters;

1. *That Council notes the existing Development Control Plans (DCPs) are criticised for being overly complicated, archaic, and difficult to interpret.*  
The draft IWDCP has created to be a streamlined document with a new logical layout as well as an E-DCP version to assist applicants, residents and industry professionals to find the information they are looking for.
2. *That Council reviews and consolidates the three existing Development Control Plans (Ashfield DCP, Leichhardt DCP, and Marrickville DCP) into a single, simplified, principles-based Development Control Plan for the Inner West Local Government Area.*

The IWDCP (Attachment 1) is a single, principles based DCP that applies to the entire Inner West LGA, excluding the Balmain Leagues Club Site, Rozelle. This site will remain subject to the Leichhardt DCP 2000 because the existing planning framework has facilitated the current development approval on the site and has calculated development standards such as floor space using an alternate method to the rest of the LGA. This is to facilitate any future modification proposed by the Club.

3. *That Council develops the new DCP as a principles and objectives based instrument grounded in design quality, sustainability and climate resilience, and contextual responsiveness principles to prioritise design outcomes, provide flexibility for contextually appropriate development and enable professional judgment to guide site-specific design responses.*

The IWDCP prioritises design outcomes and supports flexibility in site-specific design responses. Design quality is addressed through the amenity provisions and land-use controls in Part 3. Sustainability and climate resilience are addressed through DCP controls that are designed to complement and operate consistently with BASIX requirements under the State Environmental Planning Policy (Sustainable Buildings) 2022. Part 4 includes place-based controls that support flexibility in design while ensuring development responds appropriately to local context.

4. *That Council incorporates the Design Guide and all previous Council resolutions and adopted motions relating to development controls, including solar panels in heritage conservation areas and considers the transition from high, medium and low density areas.*

The IWDCP incorporates *Our Fairer Future Plan Design Guide* through the place-based controls in Part 4, with relevant provisions also applied more broadly across the LGA

where appropriate, including controls that manage transitions between different development densities.

All other relevant Council resolutions and adopted motions relating to development controls have been incorporated into the development of the IWDCP, as detailed in **Attachment 2**.

As mentioned earlier in this report measures to support the increased uptake of solar panels across the Inner West—particularly within heritage conservation areas have been included through a separate draft *Solar Panels Policy in Heritage Conservation Areas*. The Policy has broadened the criteria for approval of solar panels and enables eligible works to be assessed via a heritage exemption certificate rather than a development application. An approval from Council is required in a Heritage Conservation Area (HCA) in order for the installation to be lawful under the *Environmental Planning & Assessment Act* and regulations. This approach provides a faster and cheaper pathway for applicants and allows Council resources to be prioritised toward the assessment of development applications. Endorsement and concurrent exhibition of the draft Solar Panels Policy with the Inner West DCP is sought, and the draft Policy is provided at **Attachment 3**.

5. *That Council examine the integration of the State Government’s new pattern book designs within the new DCP to standardise design elements and provide clear visual guidance for applicants and the community.*

The State Government’s Pattern Book has been reviewed against the IWDCP, and the IWDCP is consistent with its principles.

6. *That Council allocate the DCP review and consolidation as the first and priority project for the newly appointed City Architect to lead the DCP project and directly engage with local architects and planners, to ensure it reflects best practice.*

The DCP review was established as a priority project for the City Architect on commencement. He has played a key role in finalizing the preparation of the document. Prior to the appointment of the City Architect there has been direct engagement with local architects and planners during preparation of the IWDCP through Industry Professionals Engagements, with further engagement programmed in the exhibition and engagement plan set out later in this report, to ensure the DCP reflects best practice.

7. *That Council notes that the objectives of this DCP are to support high-quality, sustainable development outcomes and:*
  - a. *Reduce the number of matters proceeding to the Land and Environment Court;*
  - b. *Provide greater certainty for residents and applicants;*
  - c. *Streamline development assessment processes; and*
  - d. *Ensure consistency across the LGA.*

The consolidation of the three existing DCPs into a single Inner West Development Control Plan supports more efficient and streamlined development assessment processes, ensures greater consistency in the application of controls across the LGA, and provides increased certainty for residents and applicants. The IWDCP has also undergone legal review to minimise ambiguity and reduce the likelihood of development matters proceeding to the Land and Environment Court.

8. *That Council brings back a draft DCP to the April 2026 Council meeting for review prior to community consultation.*

The draft Inner West Development Control Plan is provided in Attachment 1 for Council's endorsement to exhibit in April 2026.

Further refer to **Attachment 2** for Council officers response to other specific matters relating to the DCP from previous Council resolutions.

Consultation

Given the extended duration and complexity of the project, internal and external consultation has occurred in multiple forms over several years. This has allowed for a considered, well-informed, and balanced approach to the IWDCP. In addition to the preliminary consultation, the IWDCP will seek formal public consultation following the 21 April 2026 Council meeting.

**Preliminary Consultation and Review**

- Three (3) industry workshops with local architects and planners were held in 2024 and 2025 and the engagement outcomes incorporated into the IWDCP.
- Targeted internal consultation with relevant teams in Council.
- A survey distributed to Housing for All Local Democracy Group (LDG) members in 2026
- Targeted accessibility-focused consultation with the Access LDG
- An internal legal review.
- An external peer and plain English review by a planning consultant and a plain English specialist.

**Future Public Consultation**

An Engagement Plan has been developed and includes:

- A four-week engagement period
- An online Your Say Inner West (YSIW) survey
- Email to YSIW subscribers
- Newsletter notification
- Targeted information and feedback sessions with Industry Professionals
- An evening drop-in community information event
- A workshop with Local Democracy Group (LDG) members as part of the Building Our Community combined LDG event
- A dedicated Strategic Planning email address for submissions and enquiries
- A Strategic Planning telephone hotline operating Monday to Friday, 9.00am–5.00pm, to respond to community and applicant enquiries
- Consideration of the IWDCP by the Inner West Architectural Excellence and Design Review Panel.

Electronic DCP (eDCP)

Council currently publishes its Development Control Plans (DCPs) as separate PDF documents. While this is common across local government, PDFs can be difficult to access and use. Users must download and store the files, navigation can be cumbersome, and it can be hard to find the relevant controls quickly.

To improve accessibility, transparency and ease of use, Council has developed an electronic DCP (eDCP) to be hosted on Council's website. The eDCP enables users to read and navigate the DCP online, without first having to download lengthy documents, and makes it easier to find controls that apply to a proposal.

The eDCP is designed to work across devices, including laptops, tablets and mobile phones. It includes a search function and contents panel to help users move through the document. This will improve the experience for applicants, residents and practitioners and help people understand Council's planning requirements.

A downloadable PDF version of the DCP will continue to be available for users who wish to print the document or access it offline.

### **LEGAL AND RISK IMPLICATIONS**

The draft Inner West Development Control Plan will be exhibited in accordance with the *Environmental Planning and Assessment Act 1979*.

### **FINANCIAL IMPLICATIONS**

There are no ongoing financial implications arising from the draft Inner West Development Control Plan. Costs associated with the engagement of external consultants for the development of the draft IWDCP have been accommodated within the existing Strategic Planning budget.

### **ATTACHMENTS**

1. [↓](#) Draft Inner West Development Control Plan
2. [↓](#) Previous Council resolutions related to the draft DCP
3. [↓](#) Draft Solar Panels Policy

































































































































































































































































































































































































































































































































































































































































































































































































































































































































































































































































































































































































































































































































































































































**Item:** C0426(2) Item 3  
**Title:** LEICHHARDT PARK AQUATIC CENTRE - PROJECT UPDATE  
**Prepared By:** Peter Shields - Acting Director Property and Major Projects

Item 3

**RECOMMENDATION**

That Council consider the matter contained in Confidential Attachment 1 at the Extraordinary Council meeting held on 28 April 2026.

**STRATEGIC OBJECTIVE**

This report supports the following strategic directions contained within Council’s Community Strategic Plan:

- 1: An ecologically sustainable Inner West
- 2: Liveable, connected neighbourhoods and transport
- 4: Healthy, resilient and caring communities

**BACKGROUND**

The Leichhardt Park Aquatic Centre Project Upgrade involves works to its facilities. With Stage 1 works complete, the Stage 2 upgrade works include the construction of new heated 8-lane 50m pool and a heated 25m pool with associated works.

**DISCUSSION**

Council will move into closed session to deal with the Leichhardt Park Aquatic Centre – Project Update, for information which is classified as confidential under section 10A(2)(c) (of the Local Government Act 1993) that would, if disclosed, confer a commercial advantage on a person with whom the council is conducting (or proposes to conduct) business. Pursuant to section 10A(2), 10(2) and 10A(3) of the Local Government Act 1993, the media and public will be excluded from the meeting on the basis that the business to be considered is classified as confidential under section 10A(2)(c) of the Local Government Act 1993.

**PUBLICATION OF CONFIDENTIAL BUSINESS PAPER**

The Model Code of Meeting Practice prescribed by the Office of Local Government, and Council’s Code of Meeting Practice, requires confidential business papers to be published on Council’s website as soon as practicable after the information in the business papers ceases to be confidential. Council’s General Manager must consult with affected parties before publishing the information and provide reasons for why the information has ceased to be confidential.

Accordingly, this report recommends that Council consider the publication of this business paper, and Confidential Attachment 1, following the completion of the LPAC Stage 2 Upgrade (end of defects liability period), subject to consultation with affected parties.

**ATTACHMENTS**

1. Confidential Report - Leichhardt Park Aquatic Centre - Project Update - *Confidential*

***This attachment is confidential in accordance to information (Section 10A(2)(c) of the Local Government Act 1993) that would, if disclosed, confer a commercial advantage on a person with whom the council is conducting (or proposes to conduct) business.***