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Woollahra Affordable Housing Policy 2026

Adoption Date:	Draft for exhibition
Last Reviewed:	
Next Review Date:	2029
Division/Department:	Planning & Place and Community & Customer Experience
Responsible Officer:	Manager Strategic Planning & Place and Manager Community & Culture
HPE CM Record Number:	26/90165

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1 Policy Statement

Woollahra Council acknowledges that affordable housing is a critical part of the area's infrastructure and underpins a socially inclusive, economically sustainable, and diverse community, now and for future generations. Council's goal is to protect existing affordable housing, facilitate new affordable housing opportunities to meet the evolving and increasing needs of our residents, and advocate to all levels of governments for increased investment and improved affordable housing for Woollahra.

2 Application

Purpose

The Greater Sydney Region is facing a housing affordability crisis. It is one of the least affordable housing markets globally, with high costs of renting and purchasing placing increasing pressure on households. Within the Woollahra LGA, housing affordability is particularly acute. The area is a premium residential market, with property prices and rents well above the Sydney average. Nearly all low income households in the area are experiencing housing stress, and there is very limited availability of social and affordable housing.

Woollahra Council is committed to supporting access to housing that is genuinely affordable and appropriate to the needs of current and future generations— including for local families and essential workers that are on low to moderate incomes.

The purpose of this Policy is to identify Council's role in affordable housing, and to ensure that affordable housing delivered through Council's policies is fit for purpose and retained for affordable housing in perpetuity.

Specifically, the Policy provides direction to Council staff, Community Housing Providers, and Applicants, guiding consistent decision making in relation to affordable housing contributions. It does this by setting out Council's approach to:

- Monetary and in-kind affordable housing contributions
- Managing Council owned affordable housing

The Policy also forms part of a broader framework, including Council's affordable housing contributions scheme, and is consistent with Council's strategic planning goals under the *Woollahra Local Strategic Planning Statement*, and the NSW Government's *Greater Sydney Region Plan: A Metropolis of Three Cities* and *Eastern City District Plan*, which were in force at the time of preparing this Policy.

Scope

This Policy applies to:

A. Land:

- within the Woollahra Local Government Area (LGA); and
- outside the Woollahra LGA, where Council has an interest in the provision of affordable housing — such as participation in a program, ownership of property, or other involvement in adjoining LGAs.

B. Stakeholders: Community Housing Providers, and Applicants (i.e. developers).

- Community Housing Providers that Council engages with regarding the management of affordable housing.
- Applicants that are lodging development applications (DAs), preparing planning proposals or negotiating voluntary planning agreements, and which involve providing affordable housing contributions associated with Council's local policies.

While this Policy does not apply to housing owned or managed by the Australian or NSW Governments, or to affordable housing delivered under the *State Environmental Planning Policy (Housing) 2021* – In-fill Affordable Housing provisions, it may be used to establish Council's position and inform the delivery of affordable housing under these mechanisms.

3 Definitions

Term	Meaning
Affordable housing	In broad terms, affordable housing is rental housing for people on low to moderate incomes who are priced out of the private market but don't qualify for social housing. The rent is set lower than market rates and typically no more than 30% of the household income. This helps essential workers, families, and others meet housing costs without sacrificing basic needs like food, healthcare, and transport. Is defined in the <i>Environmental Planning and Assessment Act 1979</i>: Affordable housing means housing for very low income households, low income households or moderate income households, being such households as are prescribed by the regulations or as are provided for in an environmental planning instrument. Also see definition “<i>Very low income, low income, and moderate income households</i>”

Term	Meaning
Affordable housing contribution	For the purpose of this Policy means a contribution for affordable housing (whether a monetary or in-kind contribution, or a combination) delivered through Woollahra Council's affordable housing contribution scheme or voluntary planning agreement.
Affordable housing manager	Affordable housing manager is a category of "responsible housing manager" under the <i>Community Housing Providers (Adoption of National Law) Amendment Act 2025</i>, and is an individual or entity registered under section 271 of that Act. Affordable housing managers manage affordable housing and may be not-for-profit or for-profit entities. Unlike registered community housing providers, affordable housing managers cannot own affordable housing that has been delivered with the assistance of government funding.
AHCS	Affordable housing contribution scheme
Boarding house	A boarding house is a form of affordable housing. Is defined in <i>Woollahra Local Environmental Plan 2014</i>: boarding house means a building or place— (a) that provides residents with a principal place of residence for at least 3 months, and (b) that contains shared facilities, such as a communal living room, bathroom, kitchen or laundry, and (c) that contains rooms, some or all of which may have private kitchen and bathroom facilities, and used to provide affordable housing, and (d) if not carried out by or on behalf of the Land and Housing Corporation—managed by a registered community housing provider, but does not include backpackers' accommodation, co-living housing, a group home, hotel or motel accommodation, seniors housing or a serviced apartment.
Community Housing Provider	A community housing provider (CHP) means an entity that provides community housing. Also see term "registered community housing provider"
Essential worker	There is no legal definition of the term "essential workers" that has been adopted under NSW legislation, though the Draft Sydney Plan (Glossary) states the term " <i>Describes a broad range of workers who provide services considered essential to the</i>

Term	Meaning
	<i>community and which may include government and non-government workers.”</i> For the purpose of this Policy, essential workers can represent diverse skills, but the common characteristics of essential work are: • requirement for physical presence rather than remote work, and therefore needing to live close to their workplace • requirement to respond at short notice (to be 'on call') or shift workers • provision of services essential to the community.
Registered community housing provider	Registered community housing provider is a category of “responsible housing manager” under the <i>Community Housing Providers (Adoption of National Law) Amendment Act 2025</i>. A registered community housing provider means a registered community housing provider within the meaning of the <i>Community Housing Providers National Law</i> (NSW) and includes an entity registered under the local registration scheme established under the <i>Community Housing Providers (Adoption of National Law) Act 2012</i>, section 25A. Community housing providers manage community housing, and may manage affordable housing that they own or on behalf of another entity. Community housing providers are regulated under the National Regulatory System for Community Housing (NRSCH), which is a national system for registration of community housing providers. Government assistance (e.g. grants and funding) is only available to registered community housing providers.
Responsible housing manager	Is defined in the <i>Community Housing Providers (Adoption of National Law) Amendment Act 2025</i>: Responsible housing manager means the following— (a) an affordable housing manager, (b) a registered community housing provider.
Social housing	Social housing is rental housing that is funded or partly funded by government, and that is owned or managed by the government or a community organisation and let to eligible persons. This includes public housing, managed by the NSW Department of Communities and Justice and the Aboriginal Housing Office, and community housing.

Term	Meaning
	Social housing is different to affordable housing as social housing is typically restricted to only those households on 'very low' incomes and income support.
Very low income, low income, and moderate income households	Is defined in <i>State Environmental Planning Policy (Housing) 2021</i>: A household is taken to be a very low income household, low income household or moderate income household if— a) the household— (i) has a gross income within the following ranges of percentages of the median household income for Greater Sydney or the Rest of NSW— (A) very low income household—less than 50%, (B) low income household—50–less than 80%, (C) moderate income household—80–120%, and (ii) pays no more than 30% of the gross income in rent, or b) the household— (i) is eligible to occupy rental accommodation under the National Rental Affordability Scheme, and (ii) pays no more rent than the rent that would be charged if the household were to occupy rental accommodation under the Scheme.
Voluntary Planning Agreement	Planning agreements are made under Section 7.4 of the <i>Environmental Planning and Assessment Act 1979</i> (EP&A Act) and EP&A Regulation 2001. Under these provisions Council may negotiate for an affordable housing contribution.
Woollahra AHCS	<i>Woollahra Affordable Housing Contribution Scheme</i> * This scheme is a draft scheme and has not yet been adopted

4 Community Strategic Plan, Delivery Program and Operational Plan

This Policy relates to the Goals, Strategies and Priorities outlined in Council's Community Strategic Plan Woollahra 2035 and Priorities outlined in Council's Delivery Program and Operational Plan, specifically:

Goal:	1	Well planned neighbourhoods
Strategy:	1.2	Plan for more diverse housing choices to meet the needs of the community.
Priority:	1.2.1	Seek to deliver affordable housing.

5 Relevant Legislation

Environmental Planning and Assessment Act 1979
Environmental Planning and Assessment Regulation 2000
State Environmental Planning Policy (Housing) 2021 (SEPP)
Local Government Act 1993
Community Housing Providers (Adoption of National Law) Act 2012
Residential Tenancies Act 2010 No 42

6 Affordable housing

6.1 What is affordable housing?

Affordable housing is different to housing affordability. Housing affordability is a concept that refers to the relationship between household income and the cost of housing (price, mortgage repayments or rent).

Affordable housing is rental housing for people on very low*, low to moderate incomes who are priced out of the private market but don't qualify for social housing. The rent is set lower than market rates and typically no more than 30% of the household income. This helps essential workers, families, and others meet housing costs without sacrificing basic needs like food, healthcare, and transport.

Affordable housing is different from social housing; social housing is government subsidised short and long-term rental housing for people on very low incomes. Affordable housing is usually managed by Community Housing Providers and operates like private rental housing, in particular:

- rents are based on household income;
- it's open to a broader range of households than social housing; and
- it has different eligibility, rent, and tenancy rules.

People need affordable housing for different reasons. This may include people who work in lower paid jobs, where high market rents in the area in which they live and/or work is unaffordable for their household income. This can include people working full-time in essential services such as a police officer, a nurse or a childcare worker, or due to a change of life circumstances such as loss of job, separation or domestic violence, or death of a family member. Sometimes the affordable housing is only needed for a short (6 month) or medium period until circumstances change, or sometimes for a longer period.

*Although households on very low incomes are eligible to apply for affordable housing, these households often do not have the capacity to pay rent and may also be eligible for social housing.

6.2 Council's role in affordable housing

Council can facilitate and support the provision of affordable housing through:

- Adopting planning policies to allow for the collection of affordable housing contributions (i.e. an affordable housing scheme and voluntary planning agreement policy). This is primary way Council will facilitate affordable housing
- Owning affordable housing and suitably maintaining the dwellings to ensure the housing is fit for purpose
- Dedicating land or selling land for affordable housing projects
- Allocating funds to affordable housing projects or the purchase of dwellings
- Developing relationships with Community Housing Providers and other stakeholders to enhance opportunities to partner on affordable housing projects

Affordable housing is also facilitated through policies provided by the NSW and Australian Governments. Council will advocate across all levels of government for policy reforms and increased funding to improve affordable and social housing outcomes.

6.3 Community Housing Providers

Community Housing Providers are organisations that deliver social or affordable housing and associated services to people on very low, low or moderate incomes. They have expertise in developing land for affordable housing, as well as providing property and tenancy management services for affordable housing. Community Housing Providers are a key stakeholder in the affordable housing sector and can be a key delivery partner for Council.

In relation to affordable housing contributions and funding that has been delivered through Council's local planning policies — Council will engage with not-for-profit Registered Community Housing Providers.

7 Affordable housing contributions delivered through Council policies

Through local planning policies, such as an affordable housing contribution scheme or voluntary planning agreement, Council can collect affordable housing contributions. It is vital that these contributions provide housing that meets Council's expectations and the needs of the community.

This section of the Policy sets out Council's preferred approach and key considerations in relation to affordable housing contributions.

7.1 Contribution type

Affordable housing contributions are to be calculated in accordance with the *Woollahra Affordable Housing Contributions Scheme*, or as specified in a voluntary planning agreement.

Council favours in-kind contributions over monetary contributions. Whilst contributions should generally be in the form of in-kind contributions (i.e. dwellings), Council will

accept monetary contributions, or a combination of both, consistent with the matters set out below.

Monetary contributions

Where contributions are provided in the form of money, funds are to be transferred to Council. These funds (including any interest accrued) will be held by Council in a financial reserve or by an authorised NSW Government agency for the purpose of delivering affordable housing.

In-kind contributions

In-kind contributions apply when the affordable housing contribution equates to a dwelling unit with a gross floor area of 50sqm or more, as set out in the *Woollahra Affordable Housing Contribution Scheme*.

The in-kind dwelling must be fit for purpose — meeting the needs of low and moderate income households, and suitable for management by a Community Housing Provider over the life of the asset.

When proposing in-kind contributions, Applicants must address the following:

- Site suitability – The dwellings are to be well located near a centre and/or high frequency public transport
- External design – Affordable dwellings must be visually indistinguishable from market dwellings within the development and the surrounding streetscape.
- Dwelling amenity – Affordable dwellings must offer a comparable level of amenity to market dwellings in the same development in relation to cross ventilation and solar access.
- Dwelling mix – A range of bedroom sizes should be provided to meet diverse household needs, including accessible dwellings.
- Car parking – Parking is to be provided consistent with the relevant controls.
- Running costs – Design, materials and fixtures must support energy efficiency and thermal comfort, minimising utility costs for tenants.
- Maintenance costs – Durable materials, fittings, and finishes should be used to reduce long-term maintenance costs.
- Strata costs – If strata fees apply, the fees must be reasonable and sustainable over the life of the dwelling, with preference for a separate stratum for the affordable housing.

Council, in consultation with Community Housing Providers, will establish a framework for assessing and accepting in-kind contributions to ensure that dwellings proposed to be dedicated by an Applicant are suitable.

Should dwellings not reach this suitability threshold then an equivalent monetary contribution will be required in lieu of the in-kind contribution. Where only part of a contribution is satisfied through dedication of completed dwellings, any remaining requirement is to be paid as a monetary contribution, consistent with the *Woollahra Affordable Housing Contributions Scheme*, or as provided by the voluntary planning agreement where relevant.

8 Ownership of Affordable Housing Contributions

Affordable housing contributions — whether monetary or in-kind (i.e. dwellings) — will be dedicated to Council.

Council will retain ownership of affordable housing assets (in-kind contributions and affordable dwellings delivered through monetary contributions) in perpetuity.

8.1 Monetary contributions

Monetary contributions, including interest, are to be used for promoting the supply, delivery and maintenance of affordable housing. This includes costs associated with:

- Acquiring or developing new affordable housing
- Managing affordable housing
- Maintaining existing affordable housing, including replacing or upgrading housing stock
- Administering the *Woollahra Affordable Housing Contribution Scheme* and this Policy (e.g. preparing expressions of interest and legal agreements).

As monetary contributions are received and sufficient funding becomes available, Council will consider opportunities to provide affordable housing on a case-by-case basis using these funds. These decisions will be approved by Council resolution. For example, Council may:

- Directly purchase property (land or dwellings) for the purpose of providing affordable housing within the Woollahra LGA
- Partner with other Government entities and/or Community Housing Providers to purchase property or undertake development for affordable housing within the Woollahra LGA. This will be undertaken through an expression of interest (EOI) process.
- Resolve to use or allocate the funds for affordable housing in another way consistent with legislative requirements.

Council may also engage consultants or a Community Housing Provider to provide advice on the use of funds to develop affordable housing.

8.2 In-kind contributions

Dwellings in Council ownership will be a restricted asset and subject to the following conditions:

- Dwellings remain as affordable housing in perpetuity within the Woollahra LGA
- Any decision to sell the affordable dwellings must be by Council resolution and funds obtained through the sale must be reinvested into affordable housing in the Woollahra LGA.

Council will appoint a Community Housing Provider to manage its affordable housing properties. The Community Housing Provider must be a Registered Community Housing Provider under the National Regulatory System and operate on a not-for-profit basis.

Selection of the Community Housing Provider, or providers, to manage Council's affordable housing will be undertaken through an EOI process consistent with Council's Procurement Policy and approved by Council.

The Community Housing Provider will be responsible for tenant management and asset management, such as responsive repairs and minor maintenance. Details of the arrangement will be set out in a contract between Council and the Community Housing Provider.

The contract will also address a range of other matters, which may include, but not limited to:

- Target groups and/or eligibility criteria for tenancy selection (e.g. applicants must have a demonstrated family, social or economic connection to the Woollahra LGA; tenants must not own assets or property which could reasonably be expected to be used to solve their housing needs.)
- Rent setting (e.g. rent is to be no more than 30% of gross household income for those households that are low or moderate income).
- Rental income received from Council's affordable dwellings may only be used for tenant management, asset maintenance, upkeep and costs directly associated with Council's dwellings.
- Annual reporting to Council on the management and occupancy of the affordable dwellings, including financial reporting on rental income and expenditure.

9 Use of Council land and other funds

This section applies to Council land and Council funds that have not been acquired through affordable housing contributions.

Council may use its assets and/or funds to deliver affordable housing. For example, this may include:

- Dedicating Council land or selling Council land for an affordable housing project
- Allocating Council money to an affordable housing project or to purchase dwellings
- Entering into a partnership agreement with a third party to redevelop Council land under specific conditions.

Such decisions would be by Council resolution and considered in detail on a case-by-case basis consistent with other Council policies such as the *Sale of Council Land Policy*. Matters in this Policy would inform decisions but would only be part of broader project feasibility and budget considerations.

10 Documentations/References

	HPECM Reference/ URL Link
Woollahra Local Environmental Plan 2014	https://legislation.nsw.gov.au/view/whole/html/inforce/current/epi-2015-0020#statusinformation
NSW Income eligibility limits for affordable housing	https://www.nsw.gov.au/departments-and-agencies/homes-nsw/social-housing-resources/appendix-income-eligibility-limits-for-affordable-housing

11 Related Policies and Procedures

	HPECM Reference
Woollahra Voluntary Planning Agreement Policy 2020	20/23889
Woollahra Local Strategic Planning Statement 2020	22/138121
Woollahra Local Housing Strategy 2021	21/229738
Woollahra Community Participation Plan 2023	23/114575
Woollahra Social and Cultural Plan 2018-2030	25/117386
Community Strategic Plan 2035	25/122256
Woollahra Affordable Housing Contribution Scheme	TBC

This Policy will be reviewed every two years or in accordance with legislative requirements. This Policy may also be changed as a result of other amendments that are to the advantage of Council and in the spirit of this Policy.

Any amendment to this Policy must be by way of a Council Resolution, or the approval of the General Manager (for minor or administrative changes).

Policy Amendments

Date	Responsible Officer	Description