

Shelter NSW submission on Ku-Ring-Gai Council's Draft Affordable Housing Contributions Scheme and Amended Affordable Housing Policy

A secure home for all

22 September 2025



1. Introduction

Shelter NSW appreciates the opportunity to comment on Ku-Ring-Gai Council's Draft Affordable Housing Contributions Scheme (the Scheme) and Amended Affordable Housing Policy (the Policy).

Firstly, Shelter NSW would like to congratulate Ku-Ring-Gai Council on its forward vision approach as outlined in the Scheme and Policy proposal. These strategies aim to ensure the delivery of more affordable rental housing across the Local Government Area (LGA) and is to be congratulated.

For Shelter NSW, housing affordability and sustainability are closely linked. Initiatives that promote higher-design housing whilst integrating with a transport system without the inclusion of affordable rental housing, has proven to only benefit developers at the failure of delivering longer-term sustainability goals at a community level.

Having reviewed the Council's reports, Shelter NSW has provided some practical suggestions that we feel support or strengthen the Council's housing-related priorities and aim to ensure a sustainable and economically viable community for Ku-Ring-Gai LGA into the future.

2. Overview of Housing Issues

Ku-ring-gai LGA is a highly desirable location. It has a higher-than-average proportion of those who own their house outright (39.6%) and a significantly lower proportion of renters (only 19% of Ku-ring-gai residents) compared to Greater Sydney. This indicates problems around housing affordability for renters and is why initiatives that aim to support a percentage of affordable rentals are necessary.

Of Ku-ring-gai working populations, 53.4% of people who work in Ku-ring-gai live outside the area. This signals concerns about housing affordability, especially for the six key worker categories: school teachers, nursing professionals, childcare workers, hospitality workers, cleaners, and laundry workers.

Ku-ring-gai housing stock is predominantly made up of four-bedroom large dwellings with a much smaller proportion of 1, 2, and 3 bedrooms compared with Greater Sydney. In Ku-ring-gai, lone-person households continue to increase, making up for 16.6% in the 2021 census. This correlates with data showing the underutilization of larger dwellings, signifying a situation of older residents living in under-occupied large homes. The LGA's high percentage of residents aged 60 and older shows an increasing need for care services and lower-income employees to support this cohort of older residents to age in place.

In 2021, nearly 3,000 households in Ku-ring-gai were in rental stress, that is 38% of those renting. According to the rental data by NSW Local Government Area for April - June 2025, the weekly rent¹ for a 3-bedroom unit in Ku-ring-gai was \$1,250. These prices vary depending on whether it's a house or a unit, but the rental costs are again evident, that rents are beyond the capacity of lower-income households to pay. In addition, the LGA has a limited safety net of public or community housing, which makes up around 1.5% of its total dwelling stock.

As evident from the data, the implementation of Council's proposed Affordable Housing Contributions Scheme is an important step in mitigating some of the current social impacts. This work will help to ensure the supply of affordable rental housing. Council's work in this space is wholly supported by Shelter NSW.

3. Affordable housing contribution

As far back as 2019, Shelter submission on Ku-ring-gai's Draft Local Strategic Planning Statement recommended that Ku-ring-gai develop a Local Housing Strategy (LHS) and an Affordable Housing Contribution Scheme (AHCS). Shelter NSW is pleased to see the Council has done the hard work in moving towards the implementation of this essential work.

¹ Rent and sales report April- June 2025.

Shelter NSW has taken the position that an AHCS, in contrast to the delivery of social housing, is within the remit of local government. This is not to say that the State Government has no role in assisting Ku-ring-gai in creating an appropriate scheme.

Affordable housing targets

Although Shelter NSW acknowledges that the Atlas Urban Economic Review of Affordable Housing Contribution Rates (October 2024) report is a decent starting point, the 2% and 3% associated with specific sites would be very low if it didn't sit alongside a contribution rate linked with Transport Oriented Development (TOD).

This opinion is informed by research related to the TODs and other density bonus schemes. This found that height and density bonus schemes in high-value suburbs like Ku-ring-gai are valued by developers because the financial gain is significantly more than they give back in affordable housing contributions².

Council's affordable housing targets will be in addition to the TOD, which will increase the contribution rates on many sites under the TOD program. Shelter NSW has expressed its concerns that a 2% contribution rate lacks the financial capacity to deliver quantifiable affordable housing units, particularly in high land value locations. Given this, Shelter NSW fully supports Council's approach to seek a 10% affordable housing target on Council-led strategic planning or proponent-led resigning proposals.

The total benefit of the proposed Ku-ring-gai contribution scheme is that it is in perpetuity and not restricted to a 10/15-year term at 20% discount to market rent.

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Planning Institute of Australia. Planning for the housing we need. Ten ways planning can support housing affordability and diversity. <https://www.planning.org.au/common/Uploaded%20files/PIA/Policy/Housing/Planning-for-the-housing-we-need.pdf>.

An assessment of the In-fill Affordable Housing density bonus value Cameron Murray – Chief Economist, Fresh Economic Thinking Peter Phibbs – Professor Emeritus, The University of Sydney For Shelter NSW, August 2025. Link to the launch of the Phibbs, Murray report on the 8th October. <https://www.eventbrite.com.au/e/value-capture-and-creation-the-affordable-housing-bonus-density-scheme-tickets-1704853555879>.

What an Inclusionary Housing Policy Should be: Considerations for designing inclusionary housing approaches for NSW A Research Report for Shelter NSW Authors (alphabetically): Dr Catherine Gilbert Dr Michael Zanardo. <https://shelternsw.org.au/wp-content/uploads/2024/01/Shelter-report-FINAL-18-January-2024.pdf>

The Affordable Housing Height & Density Bonus Scheme. Professor Peter Phibbs. https://shelternsw.org.au/wp-content/uploads/2023/11/106250_ShelterNSW_FinalPlanningBonus_11pp_A4_1s_PROOF.pdf.

Not All TODS Are Equal- The Displacement Effect At The Centre Of The TODS. <https://shelternsw.org.au/wp-content/uploads/2024/06/TOD-SEPP-Affordable-Housing.pdf>.

Evidence has indicated this does not delivery affordability, especially in high land value locations.

On State Significant Development (SSD) approvals, we know that more applicants are using the SSD pathway. The implementation of an AHCS is essential to ensure that all DAs connected with the identified contribution sites will also deliver a percentage of affordable housing.

Governance and Transparency

The Scheme proposes that dwellings and contributions be transferred to nominated CHPs, but there is little detail on the governance framework. We recommend that Council establishes a robust framework, including annual reporting on contributions received, dwellings delivered, and timeframes for when the affordable housing units are tenanted. We also recommend the creation of a separate accounting system within Council's financial administration for its affordable housing program (Willoughby Council has such a system).

Shelter NSW also suggests that the Council set up the system to ensure that the affordable housing being supplied matches shortages within the existing housing market. This is because one- and two-bedroom units have often been favoured under these programmes when the actual demand is for three bedrooms.

On the issue of rent setting, these dwellings are being delivered through land use planning benefits, and Council should ensure that rents are set in line with the planning legislation (Clause 13 SEPP Housing 2021). CHPs can often favour the Ministerial Guidelines, which have different rent and income settings.

4. Recommendations

- The Council's proposed contribution rates and delivery framework should be reviewed on a 12-month basis to evaluate opportunities where a higher affordable housing continuation target can be implemented.
- We would encourage Ku-ring-gai to expand its affordable housing contribution framework to include residential and non-residential zones similar to that of the City of Sydney's affordable housing program.
- As more developments use the State Significant Development (SSD) pathway, the Council should ensure that an affordable housing contribution can also be delivered in line with SSD application.
- Supporting affordable housing contributions that deliver 3-bedroom units so that working families will have the opportunity to live in Ku-Ring-Gai.
- Ku-Ring-Gai explores opportunities to address the critical housing shortages of social and community housing across the LGA. This can be done by working with the State Government to better use underutilised government-owned urban spaces, such as commuter carparks near railway stations, to deliver social and community housing.

Thank you for reviewing our submission

Shelter NSW appreciates the opportunity to comment on Ku-Ring-Gai Council's Draft Affordable Housing Contributions Scheme and Amended Affordable Housing Policy. We hope that the comments and insights we have provided bring some value to the Council's strategic planning work in this space.

We are also happy to engage with the Council on the issues raised in our submission. If you wish to discuss our submission in more detail, please contact Stacey at stacey@shelternsw.org.au.