

Wednesday 15 July 2026

Golrokh Heydarian
Strategic Planner
Lane Cove Council
PO Box 20 – Lane Cove
1595 NSW

Dear Ms. Heydarian, Strategic Planner, Lane Cove Council,

Subject: SU10983 - Draft Affordable Housing Policy Draft

Shelter NSW appreciates the opportunity to make a submission on Lane Cove Council's ('Council') draft Affordable Housing Policy ('The AH Policy'). We note that Shelter NSW met with Council staff in August 2025 to discuss opportunities and challenges related to affordable housing delivery and management in the local government area (LGA). We look forward to continuing to work with Council to deliver better housing outcomes in the area.

Who are we?

Shelter NSW has been operating since 1975 as the state's peak housing policy and advocacy body. Our vision is to create a sustainable housing system that provides a secure home for all. We are especially concerned for low-income households who struggle to afford good quality and well-located housing. We provide systemic advocacy and advice on policy and legislation for the whole NSW housing system to resolve housing inequality.

We are a member-based organisation; representing organisations and individuals committed to housing justice, including community housing providers (CHP), specialist homelessness services and related peak bodies, to community groups, policy professionals, academics and social housing tenants.

1. In principle support

Shelter NSW welcomes Lane Cove Council's first Affordable Housing Policy and the opportunity to provide comment as part of the public exhibition. While Council has secured affordable housing outcomes on an ad hoc basis to date, Shelter NSW agrees that a more consistent and transparent policy framework will improve certainty and maximise future delivery.

The draft AH Policy establishes a strong foundation by adopting clear and appropriate definitions that align with the legislative framework and contemporary best practice in affordable housing delivery and management. In particular, we support the definition of affordable housing as **affordable rental housing**, rather than broader or less targeted concepts such as affordable home ownership, ensuring the policy remains focused on households with the greatest housing need, i.e. households living on lower incomes, for the most part.

Shelter NSW strongly supports the commitment of Council to deliver and manage affordable housing **in perpetuity**. We have been consistently advising both local government bodies and NSW Government that rental affordable housing should be considered critical socio-economic infrastructure, and that provision of affordable housing for limited time periods (such as the 15 year period for affordable housing delivered under the in-fill affordable housing bonus policy) is a **missed opportunity** to secure long term community benefits, with potential serious unintended negative consequences down the line.

Shelter NSW also strongly supports Council's decision to define affordable housing in the LGA as housing to be rented at rents based on occupants' incomes (at no more than 30% of their income), and to a mix of very low-, low- and moderate-income households. This definition will ensure that rental affordable housing in the LGA is genuinely affordable to target cohorts, and that the social and economic benefits of affordable housing are realised.

We also support the definition of rental stress focused on the lowest two income quintiles, as per academic and policy expert practice, and the recognition of key and essential workers as target cohorts for affordable housing in the policy.

These definitions are appropriate and strongly supported. They reflect the clear understanding of Council that affordable housing delivers long-term public benefits and is essential socio-economic infrastructure (as well as a critical infrastructure of care, especially for people with disability, elderly, or children and young people).

1.1 Support for principles

Shelter NSW supports the overarching principles of the draft AH policy. We particularly welcome Council's recognition that access to housing is a "basic right" (4 (b)) and its commitment to establishing clear targets for affordable housing delivery (4 (d)), embedding affordable housing across Council's strategic planning framework, advocating for increased delivery by other levels of government and industry (4 (f)), and leading by example where feasible and viable (4 (g)). We suggest a minor refinement to Principle (a): rather than referring to Council's "social, ethical and legislative

responsibility in addressing housing diversity", ***we recommend referring to Council's responsibility in supporting 'access to safe, secure, affordable housing'***, or other words to that effect. While housing diversity is an important ***mechanism*** to achieve this goal, it is not, from Shelter NSW's perspective, an objective in and of itself. Finally, we note and welcome Council's own assessment (in the supporting Council report on exhibition) that the draft policy has no direct financial impact for Council while delivering positive social outcomes. This reinforces the fact that the policy is an appropriate and proportionate first step towards better housing outcomes in Lane Cove LGA.

2. Affordable housing contributions and management

Shelter NSW strongly supports Council's commitment to seek at least 10% of the total residential gross floor area in new residential and mixed-use development resulting from rezoning, or the equivalent monetary contribution where appropriate. Establishing a clear target sends an important signal that planning decisions which generate land value uplift should also contribute to affordable housing delivery. The commitment to develop an Affordable Housing Contributions Scheme (AHCS) to give effect to this policy (in addition to the targets applying to proponent led rezonings) is also welcomed and will be the critical next step in establishing a transparent and consistent policy.

While feasibility must obviously be considered in the implementation of AHCS or other planning based affordable housing delivery pathways, we recommend strengthening the drafting of the AH Policy so that the expectation is that developments will provide at least 10% affordable housing, with lower contributions occurring only in clearly justified circumstances. As currently drafted, the qualification "where feasible" risks becoming the primary consideration rather than the 10% target itself. Reframing the provision in this way would better establish 10% as the default expectation while still recognising that genuine site-specific feasibility constraints may occasionally warrant a different outcome.

In Shelter NSW's experience, property developers are highly likely to seek reduced affordable housing contributions by arguing that they reduce development feasibility and/or make development in the area unviable. Specialised, neutral planning consultancy firms themselves, while they have no vested interest, tend to use highly conservative assumptions when modelling feasibility. While conservative modelling is justified in some circumstances, it is important that Council considers all perspectives as well as less conservative feasibility modelling in deciding which contribution rate to apply and where.

Shelter NSW strongly supports Council's commitment to independently review feasibility assessments submitted by proponents. This is an important measure to promote transparency,

consistency and confidence in assessment of development proposals, and more specifically affordable housing contributions levels.

Shelter NSW welcomes Council's commitment to develop an AHCS as a matter of priority and recognises that this will be the principal mechanism for implementing the policy. However, many of the policy's key commitments will be deferred until the AHCS is prepared. Without a clear implementation timeframe, there is a risk that opportunities to secure affordable housing from new development in the LGA will be missed in the interim.

Shelter NSW recommends that Council commit to a clear timetable for the preparation, exhibition and adoption of the AHCS, for example within 12 to 18 months. Establishing the AHCS as early as practicable will maximise affordable housing outcomes, provide greater certainty and consistency for developers and the community, and ensure that value uplift associated with future development is captured to deliver lasting public benefit.

2.1 Management

Shelter NSW welcomes Council's commitment to work with registered CHPs to deliver and manage affordable housing. We encourage Council to engage with the sector early in the development of its AHCS and other measures associated with the AH Policy, and support Council's proposed EOI process to identify suitable delivery partners and establish long-term management arrangements. We also strongly support Council considering title transfer of affordable housing assets to CHPs where appropriate, recognising the sector's ability to leverage assets to deliver additional social and affordable housing over time.

Shelter NSW encourages Council to engage and work with a range of CHPs, from Tier 1 to Tier 3 providers, to support and retain the diversity and richness of the CHP sector.

2.2 Forms of affordable housing contributions

Shelter NSW supports Council's proposed approach to collecting affordable housing contributions either in-kind (i.e. dwellings or land) or through a monetary equivalent. While we recognise that in-kind contributions may often represent the preferred outcome in the Lane Cove context, given high land values and limited development opportunities, we encourage Council to retain sufficient flexibility in its AH Policy to accept monetary contributions where they would deliver an equivalent or greater affordable housing outcome. We therefore recommend replacing the reference to accepting monetary contributions only in "extraordinary circumstances" with ***a lower legal language threshold, such as "limited circumstances" or "appropriate circumstances"***.

Shelter NSW also strongly supports Council's proposed standards for dedicated dwellings, particularly the requirement that affordable housing be of the same quality as other dwellings within the development and share the same entrances and exits, ensuring residents are fully integrated into the development and avoiding the negative impacts of separate access arrangements ('poor doors' have attracted significant public and media criticism, and negatively impact both the wellbeing of some tenants, and the reputation of affordable housing and the associated sector).

3. Eligibility and priority cohorts

Shelter NSW supports Council's proposed approach to prioritising affordable housing for groups experiencing significant housing disadvantage, including women and children escaping domestic and family violence, Aboriginal and Torres Strait Islander people, and people with disability. We particularly welcome the explicit recognition of women and children escaping domestic and family violence (DFV), as DFV is a leading cause of homelessness for women and children in Australia.¹ We also support the inclusion of Aboriginal and Torres Strait Islander people, who continue to experience disproportionately high rates of housing stress and homelessness.

Shelter NSW recommends Council reconsider the proposed reference to "long-term residents" as a priority group. While an existing connection to the Lane Cove area may be an appropriate consideration, affordable housing should primarily be allocated according to housing need. We recommend that Council adopt a broader concept of **connection to the local area**, recognising that many people have strong and ongoing links to Lane Cove LGA through employment, caring responsibilities, education, family or community participation, even if they have not lived in the LGA for an extended period. In our view, this would be a better and more flexible way to recognise length of connection to the LGA while continuing to prioritise access according to need.

Regarding language, Shelter NSW considers the term 'the homeless' to be potentially othering and/or stigmatising and would welcome the **AH Policy to be edited to use more contemporary terms that are person centred, such as 'people experiencing homelessness'**.

Conclusion: Implementation of an AHCS will be key to delivering good housing outcomes

Shelter NSW welcomes Lane Cove Council's Affordable Housing Policy and supports its adoption in principle. The policy establishes a strong foundation for increasing the supply of affordable rental housing across the local government area, and we particularly welcome Council's commitment to

¹ Australian Institute of Health and Welfare, *Specialist Homelessness Services Annual Report 2024–25: Clients Who Have Experienced Family and Domestic Violence* (Web Report, 2025)

preparing an AHCS, engaging with CHPs early, and embedding affordable housing into future planning decisions.

The success of the policy will ultimately depend on its implementation. Shelter NSW encourages Council to progress AHCS development as a matter of priority (including a clear timeline) and to use that process to establish clear implementation, monitoring and reporting frameworks. We also ***recommend that the policy be reviewed more frequently than every four years*** (Section 4 – Review –p4), recognising the rapidly evolving planning, funding and housing policy environment and the importance of responding to emerging opportunities such as funding from the Australian Government or the NSW Government. It is appropriate that Council first completes its proposed EOI process with CHPs to inform these next steps, but we urge Council to act with proportionate urgency to the scale of the need of lower income households where it comes to access to safe, secure, affordable housing.

Thank you for your consideration

Shelter NSW thanks Lane Cove Council for its consideration. Should Council wish to discuss this submission further, please contact Thomas Chailloux (thomas@sheltersnsw.org.au, 0490 030 809) or use our general address, admin@sheltersnsw.org.au.

Sincerely,

Thomas Chailloux, Senior Policy Officer, on behalf of Shelter NSW.