

Resolution of Council

17 February 2025

Item 13.5

Motion to the Australian Local Government Association National General Assembly - Affordable Housing Contributions Schemes Across all Australian Councils

Moved by Councillor Maxwell, seconded by Councillor Ellsmore -

It is resolved that:

(A) Council note:

- (i) the 2025 Australian Local Government Association National General Assembly will be held from 24 to 27 June 2025 in Canberra under the theme "*National Priorities Need Local Solutions*", highlighting the unique role of Australia's 537 councils in delivering place-based solutions to address community needs and national priorities;
- (ii) the City of Sydney has been collecting Affordable Housing contributions since 1995, initially in Ultimo and Pyrmont, followed by Green Square. The scheme was eventually extended across our entire area in 2021;
- (iii) the City's Affordable Housing Program requires developers to contribute 3% of residential and 1% of non-residential or commercial floor area for affordable housing for most Development Applications;
- (iv) the City of Sydney is the first council to have a Local Government Area-wide scheme, unlike most other councils, and the only council to charge a levy across all residential and commercial development;
- (v) the City also uses planning agreements to secure affordable housing outcomes when changes are being made to planning controls and to capture residential uplift;
- (vi) affordable housing contributions can be made either directly through the provision of constructed housing or as a monetary contribution;

- (vii) the City's existing contribution scheme has resulted in 1,447 built and 1,941 planned or in the pipeline affordable and diverse housing dwellings, with an additional 1,950 affordable and diverse housing dwellings expected to be delivered by the scheme in the future;
 - (viii) in December 2024, Council approved for public exhibition draft changes to its Affordable Housing Contribution Scheme, including:
 - (a) a standard 20% contribution for newly created residential floor space on rezoned sites, replacing the previous variable rate of 12% to 21%;
 - (b) a new 2% contribution for newly created non-residential floor space on rezoned sites in the city centre;
 - (c) retention of the existing 3% contribution for residential developments and 1% for non-residential developments across the local government area; and
 - (d) gradual increases in monetary contribution rates over four years to reflect the true costs of building affordable housing, tailored to specific precincts; and
 - (ix) the Lord Mayor has urged the NSW Government to adopt the City's definition of affordable housing, emphasising affordability in perpetuity, management by registered not-for-profit Community Housing Providers, and rent capped at 30% of gross household income; and
- (B) Council endorse the following motion for submission to the 2025 Australian Local Government Association National General Assembly:

This National General Assembly calls on the Australian Government to encourage and fund Australian councils to implement Affordable Housing Contribution Schemes to ensure councils can better contribute to tackling the national housing crisis.

Carried unanimously.

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