Attachment A

Summary of Submissions

Summary of Submissions - Planning Proposal: City of Sydney Affordable Housing Contributions Review and Draft City of Sydney Affordable Housing Program 2024

Introduction

This submissions table provides a summary of the 24 submissions received during the public exhibition period of Planning Proposal: City of Sydney Affordable Housing Contributions Review and Draft City of Sydney Affordable Housing Program 2024.

Submissions were received from a range of stakeholders including residents, community groups, industry peak bodies, community housing providers and a state agency, listed below:

Individual submissions (6)

Community groups (3)

- The Paddington Society
- Friends of Ultimo
- Paddington-Darlinghurst Community Group

Organisations (3)

- Inner Sydney Voice
- Wayside Chapel
- Grace City Church

Housing peak bodies (4)

- Community Housing Industry Association (CHIA)
- Tenants Union of NSW
- South Sydney Regional Organisation of Councils (SSROC)
- Shelter NSW

Industry peak bodies (2)

- Urban Taskforce
- Property Council (NSW)

Community housing providers (CHPs) (3)

- City West Housing
- Bridge Housing
- Common Equity

Developers (2)

- Meriton
- Urbis for GPT

Government agency (1)

- Homes NSW

Summary of submission	Response
General support	
All submissions from responding individuals (5), community groups (3) and organisations (2) support the proposed changes, especially: a) the robust, evidence-based, well-considered proposals; b) the City's trailblazing approach to delivering long-lasting and structural change – positioning us as one of the fairest and most socially responsible cities of our time; c) the commitment to securing affordable housing in perpetuity and not just for a few decades; d) delivering affordable housing through CHPs with appropriate income caps on rents i.e. not discount to market rent models; e) enabling some on-site delivery where appropriate to expedite affordable housing supply and social integration; f) the proposed increases to dollar rates - which are justified, ensure developers contribute fairly, and are essential to help council meets it delivery targets.	Support is noted. **Recommendation:** There are no proposed changes to the publicly exhibited planning proposal and Program because of these submissions.
Submissions from all responding housing peak bodies (4) and CHPs (2), and a submission from Homes NSW, support the proposed changes, with some of the key benefits being identified as: a) evidence-based policy, grounded in market realities and practical considerations for affordable housing delivery; b) proposed dollar rates recognise increasing costs of delivery and current market conditions;	Support is noted. **Recommendation:** There are no proposed changes to the publicly exhibited planning proposal and Program because of these submissions.

Summary of submission	Response
c) precinct-based dollar rates promote better equity and precinct sensitivity; d) capturing appropriate contributions where planning uplift occurs, which is essential to equitable long-term outcomes; e) proposed dollar rate increases will promote greater delivery; f) phases proposed dollar rates in to allow for market adjustment; g) continues to allocate funds to identified Tier 1 CHPs, allowing long term planning and delivery of pipeline; h) provides greater clarity for developers and CHPs on when a cash or in-kind contribution is required, aligning decisions to context; i) CHPs were consulted in developing the changes, ensuring they reflect important practicalities for affordable housing delivery – including consultation with CHPs before dedication, removal of the option to dedicate where it would not be the optimal outcome for CHPs, and removal of the upper limit on dwelling size enabling larger dwellings where appropriate; j) improves administrative efficiency and simplicity, for example the proposed change from Total Floor Area (TFA) to Gross Floor Area (GFA), and the standardised 20% uplift capture rate; k) continues to secure housing in perpetuity, ensuring affordable housing is provided into the future; l) retains the income-based rent requirement, promoting genuinely affordable outcomes; m) creates stronger alignment with City policy and targets.	

Summary of submission	Response
General support with some suggested changes	
Alongside the general support expressed, 3 individual submissions, 3 community group submissions and a submission from Wayside Chapel considered the proposal did not go far enough or needed some changes to facilitate better outcomes. The suggested changes are that: a) council should be more ambitious to meet the growing issue, including building its own affordable housing or buying and maintaining housing rather than having to rely on third parties; b) council should protect other low-cost housing, including the purchase and maintenance of boarding houses; c) the purchase of boarding houses would assist with speed of delivery and diversity of housing, with the existing affordable housing scheme too reliant on new builds given the current rate of building; d) council should support community housing growth, resourcing CHPs so that they can manage the increased delivery pipeline and expand partnerships to include Aboriginal-led and smaller providers; e) council should use funds to support co-operative housing and other alternative rental models to support the forgotten 'missing-middle' of the community, rather than continuing to support CHPs who already benefit from tax concessions and assistance from federal government; f) council should ban Airbnb's; g) council should publish regular reporting of contributions collected, homes delivered, waiting lists and progress towards the City's social and affordable housing targets;	a) The City opts to support CHPs to deliver affordable housing in our local area for few key reasons. CHPs are uniquely placed to stack funding, contributions and finance to efficiently deliver new social and affordable housing through state and federal government programs, philanthropic sources and private investment. These can be layered with tax exemptions to further reduce the cost of delivering new affordable housing supply. CHPs also have the systems and processes in place to manage social and affordable housing programs, including assessing and re-assessing eligibility, rent setting and collection, and tenancy management including breaches and supported exit planning for tenants who no longer meet program requirements. Taken together, working with CHPs maximises the affordable housing outcomes that can be delivered with collected funds and ensure that affordable housing is allocated fairly and in accordance with the significant regulatory requirements that are in place to guide its use. b) The City has strongly advocated to the NSW Government for over a decade for the review of state planning rules intended to help retain low-cost housing, including boarding houses. The City agrees the current approach set out in the NSW Governments Housing SEPP is not delivering on its intent. The City will continue to advocate for a review of these provisions. c) The City supports more affordable and diverse housing using three main levers. These include the provision of funding through the Affordable and Diverse Housing Fund, discounted land and property sales and the distribution of affordable housing contributions. The City relies on the expertise of housing delivery partners including community housing providers to access this

Summary of submission	Response
h) council should pair housing delivery with tenancy support and neighbourhood initiatives to foster community and connection as well as shelter; i) council should advocate for greater state and federal investment in social housing and stronger tenancy protections, making clear that levies are only one part of the solution; j) council should resist any attempt to dilute the scheme by developers.	support. Partners could utilise either the fund or the contributions to purchase boarding houses. Supporting delivery partners is the most efficient and effective way to increase the supply of affordable and diverse housing. d) The City supports innovation and knowledge fostered in the community housing sector to benefit both the sector and our community. The City supports the sector both through this affordable housing program - passing on developer levies to identified CHPs - and through other mechanisms - offering council owned land and properties at a discount for affordable rental housing and providing grants to smaller scale providers from our Affordable and Diverse Housing Fund. e) As noted at (a), working with community housing providers is the most efficient approach to maximise affordable housing outcomes in our local area. f) The City acknowledges the impact of short-term rental accommodation (STRA), such as Airbnb's, on housing availability, affordability and security. The City continues to advocate to the State government to improve the monitoring of STRA, enforce the day cap and address the commercialisation of rental homes. g) The City publishes the City of Sydney Housing Audit annually that includes information about the City's housing targets and affordable housing in the City of Sydney. To increase public reporting on affordable housing outcomes, the City has also recently published a new Affordable and Diverse Housing Update on its website. Community housing providers are responsible for the ongoing management and tenancy arrangements for affordable housing. It does not monitor waitlists for affordable

Summary of submission	Response
	housing, noting these are administered by individual CHPs. h) Community housing providers (CHPs) work to sustain tenancies. Most work in partnership with specialised support services to ensure that tenants can access the support they need. These arrangements can be formalised through memorandums of understanding based on the shared goals of both partners. The City also facilitates affordable housing by means other than the Program, including offering council owned land and properties at a discount for affordable rental housing and providing grants to smaller scale providers from our Affordable and Diverse Housing Fund. There are many examples of the affordable housing resulting from these approaches that are paired with bespoke wrap around services, for example, the Youth Foyer project in Chippendale that provide supported housing for young people exiting foster care. i) The City is a strong advocate for both improved social and affordable housing outcomes in the local area and more widely across the region. It makes multiple verbal and written representations to government wherever there is opportunity. The most recent example of this is the City's submission to the NSW Government's Draft Sydney Plan, though there are many other examples. j) Noted. **Recommendation:** There are no proposed changes to the publicly exhibited planning proposal and Program because of these submissions.
Preference for cash contributions (Community Housing Providers)	
Submissions from City West Housing and Bridge Housing state a strong preference for cash contributions, rather than dedication of built dwellings because:	The strong preference for cash contributions, in favour of dedicated dwellings, is noted.

Summary of submission	Response
a) cash contributions are a more efficient way of delivering affordable housing outcomes given scale of this type of contribution; b) cash contributions create certainty for longer-term opportunities and strategic land purchases to ensure a pipeline of development sites available for affordable housing; c) cash contributions maximise the capacity of recipient CHPs to layer contributions to deliver more housing than if dwellings were dedicated; d) when multiple funding sources (as above) are coupled with a number of tax concessions and exemptions (GST, land tax and rates) that CHPs also receive, construction becomes cheaper and the funds collected go further still; e) cash contributions provide greater flexibility to build more appropriate housing – with important differences in unit design, layout and materials compared with privately constructed dedicated dwellings – which has implications for long term rental ownership and operation.	**Recommendation:** Following consideration of matters raised in submissions, a post exhibition change to the planning proposal is recommended so that, in addition to contributions required pursuant to clause 7.13, contributions required pursuant to clause 7.13B (land listed on Schedule 6C of the Sydney LEP) and 6.70 (land at Blackwattle Bay) of the Sydney LEP are to be satisfied by making a monetary contribution. This removes any discretion in the development application process for the dedication of dwellings. Further support for this change is drawn from reconsideration of the matters raised about dedications of built dwellings in initial consultation with CHPs and in the economic review by Atlas Urban Economics that is provided in conjunction with this planning proposal (detailed above). It is also informed by internal consultation in relation toa development application lodged in 2020 on a site in Waterloo, conditions still to be satisfied, that involved one of the few examples of a developer opting to dedicate built dwellings. The officers noted: • risks associated with property transfer for individual parties and the misalignment of the property transfer process with planning processes; • the additional cost and administrative burden on CHPs and proponents can be substantial. They are generally required to engage specialist legal counsel to prepare non-standard contracts and manage lengthy negotiations for property transfer; and • there is a substantial administrative burden on the City that may impact on costs and resourcing if dedications were to increase; and • significant complexity is added to the assessment process, resulting in time delays in determination. It is also noted that since Council approved the planning proposal in December 2004 for public exhibition, the NSW Government announced the Housing Delivery Authority (HDA) and a new State Significant Development (SSD) pathway for residential development. The stated objective of the

Summary of submission	Response
	new HDA SSD pathway is to speed up development applications. While there are over 5,400 dwellings currently in the HDA SSD pipeline in the local area (as at December 2025), none have yet been determined. It therefore remains uncertain how the requirements for affordable housing contributions in the City's LEPs will be applied, noting there is no explicit commitment from the NSW Government to apply the City's requirements to development approvals. Given the above, introducing a clause in the Sydney LEP that requires additional steps and more complexity in the development approvals process makes it less likely the contribution requirement would be applied and would potentially incentivise more applications to proceed through the HDA pathway. Notwithstanding the above, where there is a planning proposal to increase the residential development capacity of land, the Program has been amended post-exhibition so that the proponent may make a public benefit offer to enter into a planning agreement with the City to provide built affordable housing in accordance with a revised Appendix B. The recommendation to maintain this pathway for delivery of housing is because, without the time pressures associated with the development application process, the planning proposal process provides more opportunity to resolve how the delivery of units can be achieved to the satisfaction of all parties.
A submission from City West Housing (CHP submission), while stating a strong preference for cash contribution, recognises some advantages to having in-kind dwellings if a CHP doesn't already have a supply of land purchased and in their pipeline.	Noted. The current *City of Sydney Affordable Housing Contributions Distribution Plan* identifies three Tier 1 CHPs all with active projects in the City of Sydney. **Recommendation:** Following consideration of matters raised in submissions, a post exhibition change is recommended so that affordable housing contributions required subject to LEP requirements can also only

Summary of submission	Response
	be satisfied by making a monetary contribution. See detailed response to “Preference for cash contributions (Community Housing Providers)” above.
Matters regarding dwellings dedication	
Submissions from CHIA, City West Housing, Bridge Housing and Wayside Chapel raise concerns about a potential increase in dedicated dwellings (versus monetary contributions), noting a number of policy, implementation and delivery issues, including: a) housing that is delivered by developers, typically seeks to minimise build cost to maximise returns and/or prioritise amenity for private owners and renters in the same development, is unlikely to provide the best outcomes for affordable housing residents. This also presents issues for long term rental ownership and management; b) there have been many poorly constructed market apartment buildings in the Sydney in recent years. Managing initial defects with private developers is difficult when properties are transferred via council. Any ongoing issues with structural or other defects which appear after the typical time allowance for defect identification will make recouping costs very difficult/impossible and expensive to rectify; c) dedication of dwellings can lead to inefficiencies in management and operations, for example, receiving a small number of units in mixed tenure residential developments comes with associated high operating/management costs and multiple strata levies; d) requiring built dwellings "where appropriate" (as currently proposed) introduces too much uncertainty. More clarity is needed on how "appropriateness" will be determined	The City notes the matters raised by CHPs and acknowledges the issues and risks associated with receiving dedicated dwellings, especially when they are designed and built by third parties with different target markets and commercial drivers. It also notes the significant complexities brought about by any dedication requirement, including, but not limited to, the need to manage risk, ensuring the stock is fit for purpose for affordable housing and the potential for unknown costs (including strata costs) for CHPs. It is acknowledged that addressing and resolving these significant complexities in the development application process will add time to the assessment process – potentially risking the City not meeting the Expectations for assessment timeframes published by the NSW Government Minister for Planning and Public Spaces. <u>Early consultation with CHPs</u> The City agrees that a CHP should be involved in the identification and design of appropriate dwellings to be dedicated at the earliest opportunity. However, the level of detail provided for consideration before a proposal reaches DA stage is typically too general to inform anything more than high-level decisions around dedication. Whilst the Program as exhibited built in a trigger to seek general CHP buy-in (or otherwise) at planning proposal stage, the City recognises that there is still inherent risk to the CHP as the project progresses. It will only be at DA stage (although it was agreed at the rezoning stage) that the details of the design are known, and the design process itself will not have involved the CHP.

Summary of submission	Response
and by whom. There needs to be certainty on type, location and possible quantum of dwellings; e) even when "reasonable" strata costs are deemed likely and ongoing costs cannot be controlled. Costs can escalate unexpectedly over time, especially when the CHP is not in control of the build quality. Assessment of the likely costs will be discretionary/subjective, so creating uncertainty; f) time constraints for negotiation on design and legal terms will impact the suitability of dwellings being dedicated; g) there are currently restrictions preventing CHPs from recycling properties should they become financially unstable or no longer meet tenant needs. The submissions raise that ***if* dwellings are to be dedicated**, the following points must be addressed: a) consultation with CHPs on the suitability of a dwelling for dedication is essential, and must be carried out much earlier in the process than currently proposed (at concept and design stage rather than pre-DA stage); b) the requirement for a separate stratum / separate building should be applied to all dedications and not just where high strata costs are anticipated (as proposed). If a separate stratum / building is not possible, a cash contribution instead is preferred; c) the process must ensure that developer-delivered units are durable, free from defects, and have manageable ongoing strata costs; d) CHPs should be involved in critical inspections throughout construction;	<u>Standardised dwelling specifications</u> The City notes the suggestions for standardised building specifications and supports the call for amenity standards achieving levels commensurate with the surrounding development. During our consultation with the three CHPs listed on the City's Distribution Plan however, we found that each had their own preferences for build inclusions, positioning of units within a building and so on, and this could also change over time depending on the residents to be housed. While basic considerations for inclusions were agreed, and included in the publicly exhibited Appendix C, more nuanced requirements often diverged. Preferred positioning of units was also different across providers and depended on individual site circumstances and the particular needs of their tenants. In practice therefore, it is difficult to see how detailed dwelling specifications could be provided to meet all circumstances and the different needs of CHPs. <u>Difficulties gauging high strata costs</u> Whilst the ability to create a separate stratum or building is seen as the minimum requirement to avoid uncontrolled strata cost losses by CHPs, the City notes the feedback that there could still be unforeseen long term cost implications associated with build quality etc. even in a separate stratum. It also requires the physical separation of units from others in the development and potential exclusion from access to shared facilities in the building e.g. gyms. While this may be reasonable given the implications of high strata costs to CHPs, it has given rise to concern that those living in the affordable housing dwellings do not have equitable access to facilities. <u>Disposal of unsuitable units</u> In approving dwellings as affordable housing, the City would typically require a covenant be registered on the property title,

Summary of submission	Response
e) dedicated dwellings must have quality finishes and be indistinguishable from other dwellings. Appendix C of the Program (dwelling standards) should include a requirement for amenity commensurate with the broader development - e.g. cross - ventilation, solar access etc; f) the development of a standardised specification and performance schedule is recommended; g) studios are unsuitable in this area and should not be accepted / or be limited to <10% of total dwellings; h) the transfer of property title should be undertaken directly with the CHP, not via the City as a second transfer, which incurs extra time and cost; i) dedicated dwellings should not be subject to covenants that restrict sale. CHPs must have the ability to sell and consolidate scattered units into a single site.	pursuant to s88E of the *Conveyancing Act*, requiring: • the property remain affordable housing in perpetuity • the identification of the Council of the City of Sydney as the prescribed authority with the power to release, vary or modify the covenant terms. The City notes the call to allow dedicated dwellings to be sold on should they fail to be fit for purpose or become too costly to manage over time. Acknowledging this is a reasonable request, in practice this would require consideration on a case-by-case basis, a process that is likely to be administratively burdensome for both the City and the CHP. In balance, this is not an efficient approach to the long-term management of affordable housing and adds weight to the argument that monetary contributions should be favoured in the Program. <u>Contract negotiation and transfer of title</u> Involving CHPs in inspections during the construction phase and then enabling the CHP to influence construction should it not be to expectations, requires complex contract arrangements between the CHP and developer and will invariably slow the planning process. With regards to the submission asserting transfer of property title should be undertaken directly with the CHP, it is noted that <u>the Act requires the transfer of dedicated dwellings to the consent authority</u>. While there are mechanisms for the eventual transfer or peppercorn sale of property to a CHP, they are complex, challenging to enforce, require bespoke legal resolution to meet the needs and circumstances of the individual parties, and ultimately cannot entirely avoid inherent risks for both parties. **Recommendation:** Following consideration of matters raised in submissions, a post exhibition change is recommended so that affordable housing contributions required subject to LEP requirements can also only

Summary of submission	Response
	be satisfied by making a monetary contribution. See detailed response to “Preference for cash contributions (Community Housing Providers)” above. Notwithstanding, where there is a rezoning, the Program now allows for a public benefit offer to be made by the applicant to provide affordable housing. This option is only to be available at the planning proposal stage, and only where an applicant chooses to provide affordable housing rather than make a monetary contribution. The planning proposal process allows more time for consideration of the bespoke requirements of the development and the receiving CHP in how the affordable housing is delivered. The VPA process stepped out in the amended Program needs the applicant to have identified a CHP for the housing in question – essentially meaning that the applicant will have had to enter into discussions and agreements with potential CHP partners before a public benefit offer is made.
A submission from Meriton raises concerns with the requirement for dedication of built dwellings in the planning proposal. They say the dedication contribution requirement will add significant time to the development process and strain development feasibility. They point to the recent planning proposal for the Suttons site in Green Square and say that it was delayed because council wanted dedicated affordable housing. They say the time added is inconsistent with the principles of the Housing Accord to speed housing delivery.	Noted. The City agrees that there is potential for uncertainty, cost and delay where dwellings are being dedicated for affordable housing, especially where the developer changes their mind. **Recommendation:** Following consideration of matters raised in submissions, a post exhibition change is recommended so that affordable housing contributions required subject to LEP requirements can also only be satisfied by making a monetary contribution. See detailed response to “Preference for cash contributions (Community Housing Providers)” above.
A submission from Urban Taskforce comments that a financial contribution would be preferable where it is most cost-effective, providing built-to-rent as an example of “where dedication creates significant issues for the proponent”.	Noted. The City agrees that there is potential for uncertainty, cost and delay where dwellings are being dedicated for affordable housing. It notes the additional challenges that arise with build-to-rent. **Recommendation:** Following consideration of matters raised in submissions, a post

Summary of submission	Response
	exhibition change is recommended so that affordable housing contributions required subject to LEP requirements can also only be satisfied by making a monetary contribution See detailed response to “Preference for cash contributions (Community Housing Providers)” above.
A submission from the Property Council says that whilst dedications could be appropriate for large-scale rezonings, the criteria must be transparent and consistently applied to avoid delays and uncertainty. It requests that detailed guidance on criteria and process for dedication requirements be published.	Noted. The City agrees that there is potential for uncertainty, cost and delay without detailed guidance and consistent application around dedication requirements. **Recommendation:** Following consideration of matters raised in submissions, a post exhibition change is recommended so that affordable housing contributions required subject to LEP requirements can also only be satisfied by making a monetary contribution. See detailed response to “Preference for cash contributions (Community Housing Providers)” above.
Mandatory cash contributions	
Submissions from Urban Taskforce, the Property Council and Meriton say that how the contribution is satisfied (cash or dedicated built dwellings) should remain at the developer’s discretion so they may choose what works best for their development.	In the history of the City’s affordable housing schemes, developers have overwhelmingly chosen to pay a monetary contribution to satisfy their contribution requirement, with less than a handful of examples of dedicated dwellings. This is despite always having had the option to dedicate built dwellings. This is because it is typically significantly cheaper for a developer to satisfy a contribution requirement by making a monetary contribution, rather than building and dedicating a dwelling and forgoing any profit that dwelling may bring. This is confirmed in the Urban Taskforce submission that acknowledges that “[i]n most, but not all, cases a developer will choose to make a financial contribution to council rather than dedicate units, as it is a more cost-effective way of contributing”. However, given the proposed changes to the equivalent dollar rates, it is possible the

Summary of submission	Response
	dedication offer may become more financially attractive in some circumstances and increase the likelihood of dedications being made. This prompted a more detailed consideration of the relative pros and cons of dedications, and how the process might be best managed going forward if more dedications were being proposed on a more regular basis. A proposed process has been set out in the publicly exhibited Program for CHP, industry and peak body feedback. **Recommendation:** Following consideration of matters raised in submissions, a post exhibition change is recommended to the publicly exhibited planning proposal and Program. The change is to require that affordable housing contributions required subject to LEP requirements can also only be satisfied by making a monetary contribution. See detailed response to "Preference for cash contributions (Community Housing Providers)" above.
A submission from Meriton says a broader stakeholder group should have been consulted before proposing the change to arrangements for when cash or dedication is required and objects to the fact only CHPs were consulted with.	As the recipients and long-term owners of any affordable housing to be dedicated under the City's program, it was appropriate to gauge the interests and concerns of the City's three recommended CHPs early in this process. Feedback from the development industry has been sought as part of the public exhibition and is being considered in finalising proposed changes to the planning controls and Program. **Recommendation:** There are no proposed changes to the publicly exhibited planning proposal and Program because of this submission.
Affordable housing in build to rent	
A submission from the Property Council says build-to-rent developments need to incorporate 10% affordable housing in the same building to qualify for a 15% managed investment trust withholding tax rate. The	It is noted that following consideration of matters raised in submissions, a post exhibition change is recommended to the publicly exhibited planning proposal and Program. The change is to require that

Summary of submission	Response
Property Council consider that the build-to-rent and affordable housing could be managed under a consistent framework, thereby avoiding the many challenges of a fragmented strata arrangement.	affordable housing contributions required subject to LEP requirements can also only be satisfied by making a monetary contribution. See detailed response to “Preference for cash contributions (Community Housing Providers)” above. However, where there is a rezoning, and where a public benefit offer is made by the applicant to provide affordable housing (instead of paying a monetary contribution), there is scope for consideration of the bespoke requirements of the development in how the affordable housing is delivered. **Recommendation:** There are no proposed changes to the publicly exhibited planning proposal and Program because of this submission.
Feasibility testing approach	
Submissions from the Property Council, Urban Taskforce, Meriton and Urbis for GPT question the basis of the economic review. Key matters raised include: a) the feasibility testing is flawed – costings do not seem realistic and doesn’t represent the true cost of development; b) it is unclear if the economic review factors in the numerous other contributions payable under the City’s framework, including Design Excellence Competition process, Heritage Floor Space, public art, standard development contributions in addition to the Housing and Productivity Contribution; c) the feasibility assessment should be peer reviewed, with industry bodies allowed time to review and scrutinise the report.	While testing is carried out on sample sites, which are selected based on their representative quality, it is noted feasibility ultimately depends on site-specific circumstances. a) Construction cost rates assumed were per publicly available construction cost publications. b) All costs associated with developing in the City are factored into the testing, including costs associated with design excellence, Housing and Productivity contributions, Heritage floor space (which only applies in Central Sydney), public art (where appropriate) and local contributions. c) The economic review has been made publicly available for review and scrutiny during the 6 week public exhibition process. Comments and concerns raised in response to the economic review are addressed in this submissions table. **Recommendation:** There are no proposed changes to the publicly exhibited planning

Summary of submission	Response
	proposal and Program because of this submission.
Increase to equivalent monetary contribution rates (dollar rates) and the phase-in period	
Submissions from the Property Council, Urban Taskforce, Meriton and Urbis for GPT question the basis of the economic review, highlighting that the increased contribution dollar rates will impact on development feasibility, particularly at a time when residential feasibility is low. Key matters raised include: a) the review relies on market growth during the phase-in of the rate increases to ensure they can be tolerated, but there is no supporting evidence to indicate a market improvement in 4 years. b) the development industry is concerned about the imposition of new charges when residential project feasibility is already low. Recent cost increases to materials and labour, increasing regulatory compliance obligations and higher infrastructure and public domain commitments squeeze margins too far to satisfy banks or investors. A submission highlights the downward trend in dwelling completions vs approvals; c) even marginal increases cannot be tolerated, especially in the South and East precincts; d) a longer phase-in is required for projects already in-train, especially planning proposals and any subsequent DAs, so that feasibility is not impacted mid-project.	At the time of preparing the economic review at the end of 2024, inflation and construction costs were trending downwards and there was an expectation that there was pressure relief on the cash rate. Analysis of long-term price movements indicated the following: • residential prices (strata) average 5.0% growth in Sydney LGA (2011-2021); and • construction cost increases average 3.2% in Greater Sydney (2011-2021) This gave a net difference (positive) of 1.8% over the long term. The economic review assumed a +1% difference between revenue and cost, which was grounded in evidence. However, it is acknowledged that inflation has returned in late 2025. Successive rate rises and significant uncertainty, most likely to lead to further rate rises, flatten residential unit prices and increase construction costs further. The +1% growth assumed in the economic review is less certain given these considerations. As at June 2025 there were about 4,000 dwellings lodged and under development assessment and over 10,000 dwellings already approved in the City’s development pipeline. These development applications would not be impacted by new dollar rates, noting that the dollar rate that applies is either the rate quoted in the condition of consent (if already approved) or the rate that was applicable in the version of the Program that was in force at the time of lodgement. There is therefore no risk of any impact from the proposed increase in dollar rates on the development pipeline. Having regard to current market challenges and uncertainties, it is agreed there is a case to delay the implementation of the new dollar rates to allow longer for:

Summary of submission	Response
	• sites already purchased to be progressed and submitted for DA; and • new sites to be negotiated and purchased, and submitted in a DA within the National Housing Accord period (to 30 June 2029). **Recommendation:** Following consideration of matters raised in these submissions, a post exhibition change is recommended to the Program to delay the implementation of the increased dollar rates to: • a 50% introduction from 1 July 2029; and • 100% from 1 July 2031. This would put full implementation of the new dollar rates outside the Housing Accord period.
A submission from CHIA and submissions from City West Housing and Bridge Housing raise concerns that the increase in dollar rates is modest and should be higher to more accurately reflect the cost of delivering affordable housing in the various precincts. Submissions encourage revisiting the dollar rates. Specific matters raised include: a) given the value of projects and land in the City, the rate increases are modest and submissions question why the City has adopted the lower end of the viable rate range for the various precincts; b) there is sentiment that Sydney LGA has had strong sales prices growth in recent times and that construction costs growth has slowed. This should mean there is scope to revisit the proposed dollar rates without making housing projects unviable; c) given that the Program already states dollar rates will be adjusted to ensure they keep pace with delivery costs, the 4-year phase-in should be unnecessary – a warning to the market of potential increases is already provided. Market improvements (as above) give further reason that the phase-in is unnecessarily long.	a) Each contribution precinct has a number of suburbs and areas, with varying values. The lowest end of the scale was adopted to mitigate impact on low value areas within each precinct. b) This was true for the first half of 2025. In the last 3 months, sales prices growth has stalled and is likely to remain flat with further rate rises, muted market conditions and growing uncertainty. c) Dollar rates are subject to indexation in order that they keep pace with delivery costs in the LGA. However, these movements in rate are typically incremental and able to be tracked, if informally, by following the indexation mechanism that is quoted in the Program. The proposed change to the contribution rate represents a more marked increase to bring contributions back in line with the cost of housing delivery, which has diverged across the LGA over time. The objective of phased implementation is to allow proponents to purchase land at an appropriate price factoring-in the dollar rates. There would therefore be

Summary of submission	Response
	no imperative to recoup the rate increases in higher sale prices. **Recommendation:** There are no proposed changes to the publicly exhibited planning proposal and Program because of these submissions.
Precinct based contribution (dollar) rates	
A submission from Urban Taskforce says differentiating dollar rates by precinct is flawed because contributions collected in one precinct are not earmarked for delivery of housing in the same precinct. The precincts nominated for the highest increases already pay higher land prices, stamp duty and other contributions so that construction and compliance costs faced in these areas are higher.	Dollar rates are set to be 'equivalent' to the value of the affordable housing requirement. If the affordable housing obligation is one dwelling, the equivalent monetary contribution is the value of that one dwelling. It could be $1 million in the West precinct or $2 million in the East precinct. Developers in high value areas pay higher prices for land. They could pay higher construction costs (e.g. due to site constraints and/ or delivery of more premium finishes). In high value areas, higher prices are also achieved. The cost impost of affordable housing is therefore proportionate to the cost/ revenue profile of the particular development. The proposed equivalent dollar contribution rates sit at the lower range of prices within each contribution precinct. This is to ensure 'low value areas' within a precinct are not disproportionately burdened and stall development in those low value areas. **Recommendation:** There are no proposed changes to the publicly exhibited planning proposal and Program because of this submission.
Impact on housing affordability	
A submission from the Property Council raised concern that the new dollar rates could impact housing affordability, when a third of the cost of a new home is currently taxes and charges.	The intention of the phasing-in period is to allow for planning obligations, including the cost of the contributions, to be factored in so that a lower price is paid by the developer for the land, rather than passed forward to end purchasers. **Recommendation:** There are no proposed changes to the publicly exhibited planning

<table>
<tr><th>Summary of submission</th><th>Response</th></tr>
<tr><td></td><td>proposal and Program because of this submission.</td></tr>
<tr><td colspan="2">Affordable housing should be incentivised</td></tr>
<tr><td>Submissions from the Property Council, Urban Taskforce and Meriton do not support affordable housing contribution requirements believing there to already be a range of options in the planning system which deliver affordable housing (referring to State planning pathways). Similarly to those state pathways, Urban Taskforce considers that council should be offering incentives for affordable housing delivery, not taxing it.</td><td>The long-standing objection to developer contributions generally, and affordable housing contributions specifically is noted. However, the characterisation of the contribution as a “tax” on development is not agreed.

Notwithstanding the above, in most parts of the local area, the contribution was introduced at a time of significant rezoning where land values were increased to the benefit of landowners. In other areas (residual lands), the contribution applies only to new floor space.

The contribution is applied in accordance with the Act and has successfully delivered a significant stock of long-term affordable housing in the local area.

Recommendation: There are no proposed changes to the publicly exhibited planning proposal and Program because of this submission.</td></tr>
<tr><td colspan="2">Additional contribution on uplift in planning proposals</td></tr>
<tr><td>Submissions from Meriton and Urbis for GPT raise concerns with the proposed increase to the additional contribution that will be applied to uplift in planning proposals. Key matters raised, which echo much of the sentiment relating to the general increase in dollar rates, include:

a) the proposed phase-in periods for the dollar rates protect development applications already in train, but, due to the lengthy timeframe of a planning proposal and time taken to reach development stage (when a contribution is to be made), phasing-in will have no effect for planning proposals. The proposed savings provisions do not protect current planning proposals or their subsequent development applications;</td><td>a) The concern that some planning proposals may be impacted by the increased rezoning rates because of the longer timeframes that apply from planning proposal lodgement, through to DA and completion, is noted. The underlying assumption in the submission is that there are sites that have been purchased prior to the City’s intention to adjust the rezoning rate and monetary contribution rates (December 2024) that have not been factored into the price paid for the land and that these sites were purchased on the expectation that a rezoning would be approved.

To test the impacts of the proposed rezoning contribution requirement on development viability, the economic review tested a worst-case scenario,</td></tr>
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Summary of submission	Response
b) applying rates [to planning uplift] of this magnitude rigidly will erode feasibility and place projects at risk. The uplift increase should be reduced to 5% (in line with 5-10% range in Region Plan); and c) the rezoning uplift is framed as a ‘soft’ contribution rate but is rarely applied that way, even where there are significant other contributions to be made on a site.	where land is purchased at a price not reflecting the increase contribution requirement. The review found that in most circumstances development remains viable under the proposed rezoning contribution requirements, providing that the dollar rate is phased in (as recommended), and that the redevelopment of the site was feasible at the time of purchase. For clarity, this assumes that the price paid for the site reflected what could be developed on the site under the current planning controls, assuming a +1% market growth factor, and the proponent did not speculatively overpay for the site, assuming a higher development yield could be achieved via a planning proposal. Planning proposals/rezonings carry inherent planning risk which proponents should be aware of, and there has already been two years of notice to the market of the City’s intentions to review this rate. b) The economic review demonstrates the proposed rezoning rates are viable. c) The City’s policy allows for the contribution on floor space to be negotiated on a case-by-case basis, using the approach outlined in the Program as a guide. In agreeing an appropriate contribution rate the City can consider if any other significant public benefits are being provided, such as the delivery of public infrastructure that is not offset against infrastructure contributions. **Recommendation:** There are no proposed changes to the publicly exhibited planning proposal and Program because of this submission.
A submission from City West Housing says that the rezoning proposals should not need a phase-in at all, given that they benefit as a result of the rezoning with a land value uplift.	The rezoning rate will come into effect upon the approval of the Program. **Recommendation:** There are no proposed changes to the publicly exhibited planning proposal and Program because of this submission.

Summary of submission	Response
A submission from Urban Taskforce says the justification to introduce a commercial uplift contribution in Central Sydney is flawed because commercial floor space does not create need for affordable housing. The submission states that framing urban renewal in the CBD around its negative impact on housing affordability overlooks the positive impact of investment and income generation in the CBD, which is the CBD’s key function.	It is noted that a planning proposal uplift rate has not previously been applied to non-residential development. The importance of the CBD for generating growth and creating value in Sydney’s economy is also recognised and ensuring its long-term sustainable growth is essential. However, declining socio-economic diversity in the inner city associated with inadequate social and affordable housing supply has significant economic and social impacts which represent a risk to this growth. Based on 2021 data, the lowest equivalised household income group would need to pay 147% of their income to afford a 2-bedroom dwelling. The medium lowest group would need to pay 81% of income and the medium highest group would need to pay half of their income in rent for a 2- bedroom dwelling. In April 2026 there were two private rentals which were affordable for low and medium equivalised income households in the City of Sydney and both were for rooms in a share house. Given the above, low and moderate income workers are forced to seek long distances from their places of work. Evidence suggests the loss of low to middle income households from inner Sydney will result in essential sectors in the Australian economy finding it increasingly difficult to fill employment vacancies and staff shifts, hampering business productivity and economic growth. A non-residential uplift rate is recommended in the Central precinct alone because of the substantial demand for housing for key workers created by increased employment floor space in Central Sydney. The introduction of a contribution requirement for non-residential

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<tr><td></td><td>development remains consistent with the requirements set out in the Act relating to where a contribution requirement can be applied.

Recommendation: There are no proposed changes to the publicly exhibited planning proposal and Program because of this submission.</td></tr>
<tr><td colspan="2">Administrative clarity</td></tr>
<tr><td>A submission from the Property Council seeks some clarification and makes suggestions to improve administrative clarity. It says:

a) the Central precinct should coincide with "Central Sydney" precinct for less complexity;

b) exclusions previously embedded in TFA definition should also be replicated for GFA calculations;

c) there should be clarity in the wording of requirements in the Program on the timing of contribution requirements where there are both 7.13 and 7.13B requirements on a site and both are to be made as monetary contributions. The submission recommends the flowchart in Appendix D also be updated to show this circumstance; and

d) there should be stronger reporting requirements for use of contributions to speed delivery.</td><td>a) Whilst the boundaries of the Central precinct in the draft Program don’t match exactly with those of “Central Sydney” as defined in the Central Sydney Planning Strategy, they have been set to coincide with all four precincts in the City’s other contributions plans (7.11 and 7.12) for consistency and ease of application.

b) These exclusion are set out in the draft Program, as exhibited. This is explained in the drafting instruction appended to the exhibited planning proposal.

c) It is noted that following consideration of matters raised in submissions, a post exhibition change is recommended so that affordable housing contributions required subject to LEP requirements can also only be satisfied by making a monetary contribution.

All monetary contributions are to be satisfied prior to a Construction Certificate being issued. This is clearly stated in the Program;

d) The City publishes the City of Sydney Housing Audit annually that includes information about the City’s housing targets and affordable housing in the City of Sydney.

To increase public reporting on affordable housing outcomes, the City has also recently published a new Affordable and Diverse Housing Update on its website.</td></tr>
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<tr><th>Summary of submission</th><th>Response</th></tr>
<tr><td></td><td>Recommendation: There are no proposed changes to the publicly exhibited planning proposal and Program because of this submission.</td></tr>
<tr><td colspan="2">Flexibility in applying contribution requirements</td></tr>
<tr><td>Submissions from Meriton and the Urban Taskforce say more flexibility should be adopted when and where contributions are required. Key matters raised include:

a) there should be the ability to reduce contributions on a case-by-case basis when feasibility is threatened;

b) dollar rates should be low and broad, applying to whole growth areas or across an LGA;

c) contributions beyond the base rate should be incentive driven;

d) dollar rates should be clear and easy to calculate upfront and not subject to change over time;

e) the cost of public benefits should be accounted for when calculating a contribution;

f) the contribution should be able to be satisfied by providing affordable housing that can be held by developer and provided as affordable housing for 15 years (the Housing SEPP model).</td><td>The City notes the sentiment in the submissions that the development industry is facing a growing number of state and local contribution requirements and/or public benefit delivery requirements.

The basis of the City's Affordable Housing scheme is a low, broad rate which applies to all eligible development in the local area. The Program clearly establishes what type and intensity of development will trigger a contribution and how that contribution will be calculated. The City has consistently indexed and reviewed the applicable contribution rate to ensure it keeps pace with the cost of development. This has always been clearly sign-posted in the City's policy.

The proposed dollar rate increase, if adopted, will be phased-in to allow for market adjustment and ensure projects already in the development pipeline are not inappropriately impacted.

Beyond the base rate contribution, the City's policy also allows for contributions to be applied to floor space uplift which is achieved via a planning proposal. The applicable contribution is negotiated on a case-by-case basis, using the approach outlined in the Program as a guide. In agreeing an appropriate rezoning contribution rate the City can take into account if any other significant public benefits are being provided, such as the delivery of public infrastructure not otherwise offset by infrastructure contributions.

The City's Program is established in accordance with Section 7.32 of the Act. It delivers affordable housing in-perpetuity, utilising the income rental model, ensuring real affordability for tenants and a long-term</td></tr>
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Summary of submission	Response
	supply of affordable housing in the local area. There are pathways available via the Housing SEPP for developers to deliver alternative affordable housing offerings under a discount-to-market rent, time-limited model. **Recommendation:** There are no proposed changes to the publicly exhibited planning proposal and Program because of this submission.
Removal of the 90sqm cap	
A submission from Urban Taskforce says removing the 90sqm cap suggests council will ask for larger dwellings and the change is therefore not supported.	A contribution requirement is phrased as a total amount of affordable housing floor space to be dedicated (or the equivalent cash contribution). This will not change with the proposed removal of the 90sqm cap on dwelling size. It simply means that there is no longer a limit on the size of dwellings that can be dedicated to or built by the City's recommended CHPs. If a developer is to provide built floor space, this may be in the form of fewer, larger apartments or more, smaller apartments, depending on the preference of the CHP. It will not alter the total contribution of floor space made by the developer. Notwithstanding the above, it is noted that changes are recommended to the publicly exhibited planning proposal to remove any pathway for dedications in the development application process. Where there is a public benefit offer for affordable housing, there is flexibility in that process for reaching agreement about appropriate dwelling sizes. **Recommendation:** There are no proposed changes to the publicly exhibited planning proposal and Program because of this submission.
Demand for larger apartments	
A submission from Shelter NSW says there is demand for 3+ bedroom dwellings in the LGA and that the City should establish an	The Program as exhibited proposes to remove the upper limit on affordable housing dwelling size (previously 90 square

Summary of submission	Response
evidence-based target for the provision of larger apartments to be informed by consideration of cultural need, family suitability and severe overcrowding.	metres). This would enable dwellings with 3+ bedrooms and is progressed to address those points raised by Shelter NSW. The identified CHPs that own, manage and often build the City's affordable housing keep their own lists of tenant need and are best placed to establish the demand for bedrooms in Sydney over time. Notwithstanding the above, it is noted that changes are recommended to the publicly exhibited planning proposal to remove any pathway for dedications in the development application process. Where there is a public benefit offer for affordable housing, there is flexibility in that process for reaching agreement about appropriate dwelling sizes. **Recommendation:** There are no proposed changes to the publicly exhibited planning proposal and Program because of this submission.
Affordable housing delivered under the Housing SEPP	
A submission from Shelter NSW says the City should be advocating to NSW Government that the 80% discount-to-market rent model is not affordable housing and that a 30% limit based on household income should be used for their rent setting framework in the Ministerial Guidelines. The submission says the City should explore how the time-limited affordable housing bonus in the Housing SEPP should be provided with cash to the City for distribution to genuine CHPs and managed with appropriate rent setting and in perpetuity.	The City shares the view that the discount-to-market rent model does not deliver genuinely affordable housing in the LGA. The City will continue to advocate to the NSW Government on the most appropriate mechanisms to achieve genuinely affordable, in perpetuity housing, including the suggestion from Shelter NSW for housing delivered in the City under Housing SEPP pathways to be aligned with the City's policies for affordable housing contributions. **Recommendation:** There are no proposed changes to the publicly exhibited planning proposal and Program because of this submission.
One community group (Friends of Ultimo) was unclear whether the policy could apply to NSW Government pathway projects, which it views to be "undemocratic emergency laws".	There are now a number of state planning pathways that seek to fast-track development opportunities and facilitate planning uplift outside of Council's statutory planning processes. In the City, these include infill bonuses for developments that

Summary of submission	Response
	include affordable housing and new rezoning processes via the Housing Delivery Authority (HDA). Often the affordable housing offered via these pathways is time-limited and offered at unaffordable rents, out of reach of very low- and low-income tenants. Whilst the City cannot directly determine the outcome of either pathway, we continue to advocate strongly for the State to follow our established policies for affordable housing contributions. **Recommendation:** There are no proposed changes to the publicly exhibited planning proposal and Program because of this submission.
Timing of payments	
Submissions from Urban Taskforce, Meriton and the Property Council say payment of the contribution at construction certificate can impact feasibility and that by moving payment to the occupation certificate stage it would only see a short-term impact on the delivery of affordable housing.	If development contributions were to be paid at the occupation certificate stage, then there would be a significant lag in the delivery of the affordable housing that is critically required to address the housing affordability crisis. In addition, the payment of contributions at occupation certificate stage would bring with it a risk of delinquency by development entities and certifiers, as there is no strong incentive for them to ensure payment at this stage. Even if measures were put in place to address this risk, in the City's experience with infrastructure contributions, a small number of developers and private certifiers will fail to properly attend to their obligations. Councils, and ultimately their communities, would lose out if contributions are not paid and subsequent essential affordable housing is not delivered. Given the above, the City does not support payment of contributions at the occupation certificate stage of a development. **Recommendation:** There are no proposed changes to the publicly exhibited planning proposal and Program because of this submission.

Summary of submission	Response
Income bands	
A submission from Bridge Housing (CHP submission) supports the Program's cap on household income at 30%, but notes that key workers essential to the City may fall outside of our Program's strict income bands. Bridge suggests the City may wish to consider provisions that allow for flexibility in assessing household income in such cases, to enable access to affordable housing for those who fall outside strict eligibility but remain priced out of the expensive inner-city market.	The City shares Bridge's concern that key workers are being priced out of the local area and has recently introduced a change to the Sydney LEP to ensure the retention of "naturally" occurring affordable housing (the dwelling retention clause). However, "affordable housing" is defined by the Act as housing for very low-income households, low-income households or moderate-income households, the defined income ranges for which are set out in the Housing SEPP. Affordable housing resulting from the contribution requirement in an LEP, must be allocated to eligible households in accordance with the Act. **Recommendation:** There are no proposed changes to the publicly exhibited planning proposal and Program because of this submission.
Exclusions from making an affordable housing contribution	
A submission from Grace City Church strongly supports the provision of affordable housing but asks that Council consider exempting not-for-profit organisations from the need to make affordable housing contributions, consistent with the exemptions provided to not-for-profits under Council's other development contributions.	The City agrees it is reasonable that some not-for-profit organisations should be exempt from making an affordable housing contribution. **Recommendation:** Following consideration of this submission, a broader review of the current exclusions from making an affordable housing contribution in the draft Program was undertaken. The review was cognisant of Section 7.32(3)(c) of the Act that says a dedication or contribution must be "reasonable". In addition to development that is already excluded from the requirement to make an affordable housing contribution, a post-exhibition change to the Program is recommended to also exclude any floor area for the following development (as defined by Sydney LEP 2012) that are provided by or on behalf of a charity or not-for-profit organisation: • places of public worship; • hostels; • boarding houses; • residential care facilities;

Summary of submission	Response
	• group homes; and • emergency services facility. Any floor area for the development of a dwelling house, attached dwelling or dual occupancy or which relates to alterations and additions to an existing attached dwelling, dual occupancy or dwelling house, is also excluded from the requirement to make an affordable housing contribution. In addition to the above, it is recommended the current exclusion in the Program for development where the cost of construction is less than $100,000 be amended to $150,000, noting significant recent escalations in construction costs and likely future increases resulting from recent shocks to oil supply that are expected to significantly impact prices in the short to medium term.
A submission whilst supporting the goal of increasing affordable housing, requested that Council consider excluding non-developer, owner-occupier family homes from the need to make an affordable housing contribution. The submission feels that at a time of escalating construction costs, labour shortages and a broader housing crisis, the required contribution makes development increasingly feasible only for well-capitalised developers, not ordinary owner-occupiers. A more targeted approach to applying a contribution requirement could preserve the policy objective without placing disproportionate pressure on working families.	The request to revisit the exclusions in the Program is noted. The City acknowledges that sometimes the scale of contribution can be disproportionately high for simple, single dwelling projects or for alterations and additions to existing dwellings. **Recommendation:** Following consideration of this submission, a broader review of the current exclusions from making an affordable housing contribution in the draft Program was undertaken. The review was cognisant of Section 7.32(3)(c) of the Act that says a dedication or contribution must be “reasonable”. As a result of this, additional forms of development are added to the list of exclusions in the draft Program post-exhibition, as follows as defined by Sydney LEP 2012 and provided for or by a not-for-profit organisation or charity): • places of public worship; • hostels; • boarding houses; • residential care facilities; • group homes; and • emergency services facility;

Summary of submission	Response
	Any floor area for the development of a dwelling house, attached dwelling or dual occupancy or which relates to alterations and additions to an existing attached dwelling, dual occupancy or dwelling house, is also excluded from the requirement to make an affordable housing contribution.
Submissions from the Property Council and the Urban Taskforce are concerned contributions will be applied to any 'infill housing' component under the Housing SEPP. They do not support an additional affordable housing contribution on this floor space when already delivering affordable housing under the Housing SEPP.	The City does not support the introduction of an exemption from making an affordable housing contribution for affordable housing that is not provided in accordance with the affordable housing principles set out in the Program. This includes affordable housing provided pursuant to Chapter 2, Part 2, Division 1 or Chapter 3, Part 4 of the Housing SEPP (infill affordable housing) where the affordable housing: • is not provided in perpetuity; and • is not restricted to charging rents that do not exceed 30% of gross household income. It is noted the NSW Government's practice note for in-fill affordable housing says that any local requirements for affordable housing do not count towards the minimum required affordable housing component under the Housing SEPP in-fill affordable housing provisions. That is, the minimum affordable housing component under the Housing SEPP needs to be met in addition to any requirement specified under a local policy or any planning agreement with a public authority. The draft Program, as exhibited, allows for consideration of requests for exemption from the affordable housing contribution for infill affordable housing provided under the Housing SEPP where it is provided in perpetuity and where it is restricted to charging rents that do not exceed 30% of gross household income. **Recommendation:** Minor wording changes are proposed to the Program to clarify and strengthen the City's approach to exemptions of this nature.

Summary of submission	Response
Move from measuring contribution on Total Floor Area (TFA) to Gross Floor Area (GFA)	
A submission from City West Housing is concerned that the conversion rate from TFA to GFA is too conservative and should be a minimum 15% rather than the 10% used in the proposals.	The City acknowledges the assumed 10% conversion of TFA to GFA is a conservative measure, noting in some circumstances the difference may be more substantial. However, a conversion rate at the lower end of the range has been applied to ensure that development in the pipeline is not inadvertently impacted by the change. **Recommendation:** There are no proposed changes to the publicly exhibited planning proposal and Program because of this submission.
A submission from Meriton supports the change from TFA to GFA.	Support is noted. **Recommendation:** There are no proposed changes to the publicly exhibited planning proposal and Program because of this submission.
Allocation of contribution funds	
A submission from Common Equity, a Tier 2 CHP with 4 co-operatively managed rental properties in the City, supports the proposed changes and asks to be considered as a future recipient of contribution funds, noting co-operative housing supports housing diversity and choice.	Support is noted. The City of Sydney Affordable Housing Contributions Distribution Plan sets out a process for the review of the Plan every 5 years. Changes to recipients of contributions will be considered as part of that review. **Recommendation:** There are no proposed changes to the publicly exhibited planning proposal and Program as a result of this submission.
Indexation	
A submission from City West Housing requests that the method of indexing of the dollar rates going forward be re-considered to ensure they track appropriately with the cost of delivering new housing. As the current indexation method is based on median sales price, City West considers that over time indexing will fall short of the true costs of procuring new housing, pointing to the feasibility testing which	A review of median versus third quartile price growth indicates some difference in rate. However, this difference is not always greater than the median price growth. **Recommendation:** There are no proposed changes to the publicly exhibited planning proposal and Program because of this submission.

Summary of submission	Response
acknowledges new apartment prices as 30% more than existing dwellings. City West states that even if median priced dwellings are procured, they will have additional costs associated with higher maintenance. City West Housing points to the risk that if the settings aren't right, contributions will fail to cover the real cost of constructing or procuring even after this update. It suggests changes in the 75th percentile be compared with changes in the median sales prices to see if this would be a more appropriate indexation marker.	
Exemptions for Build-to-Rent and Co-living housing	
A submission from City West Housing is concerned there is little justification for the exemption for build-to-rent and co-living development.	The 5-year exemption for built-to-rent and co-living development seeks to encourage greater housing diversity and boost housing supply, recognising the current challenges of poor rental availability and dwindling stock of naturally cheaper residential housing product in the City. The exemption was intended to be a short-term measure focused only in Central Sydney to coincide with floor space incentive controls for these housing types that were being progressed at the same time in a separate planning proposal. These incentives were approved and published in the Sydney LEP in December 2024 and are also subject to a 5-year time limit. **Recommendation:** There are no proposed changes to the publicly exhibited planning proposal and Program because of this submission.