



IRF25/1494

Gateway determination report – PP-2025-812

Canada Bay Affordable Housing Contribution Scheme
Housekeeping update

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Acknowledgment of Country

The Department of Planning, Housing and Infrastructure acknowledges the Traditional Owners and Custodians of the land on which we live and work and pays respect to Elders past, present and future.

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Table 1 Reports and plans supporting the proposal

| Relevant reports and plans |
|----------------------------------------------------------------------|
| Draft Affordable Housing Contribution Scheme – version 5.0, May 2025 |
| Canada Bay Local Planning Panel Minutes, 20 March 2025 |
| Canada Bay Council Report and Minute, 15 April 2025 |

1 Planning proposal

1.1 Overview

Table 2 Planning proposal details

| | |
|---------------------------------|-------------------------------------------------------------------------------------------------------|
| LGA | Canada Bay |
| PPA | City of Canada Bay |
| NAME | Canada Bay Affordable Housing Contribution Scheme housekeeping update |
| NUMBER | PP-2025-812 |
| LEP TO BE AMENDED | <i>Canada Bay Local Environmental Plan 2013</i> |
| ADDRESS | LGA wide |
| RECEIVED | 2/05/2025 |
| FILE NO. | EF25/7094 |
| POLITICAL DONATIONS | There are no donations or gifts to disclose and a political donation disclosure is not required |
| LOBBYIST CODE OF CONDUCT | There have been no meetings or communications with registered lobbyists with respect to this proposal |

1.2 Objectives of planning proposal

The objectives of the planning proposal are to amend the Canada Bay LEP 2013 (CBLEP) to:

- *implement housekeeping amendments to the Canada Bay Affordable Housing Contribution Scheme to simplify the application and reflect Council's DAIP and needs of the community; and*
- *clarify that the affordable housing contribution under Chapter 2 'Affordable Housing', Part 3 Retention of existing affordable rental housing' of the Housing SEPP applies to the entire LGA*

The proposal does not clearly and adequately detail the intended outcomes of the amendment sought. A condition of Gateway is recommended for the proposal to be updated accordingly.

1.3 Explanation of provisions

The planning proposal seeks to amend the Canada Bay LEP 2013 clause 6.12 to amend the date when the draft AHCS is adopted by Council.

The proposal also seeks to include a provision in the LEP to clarify Council's authority to impose conditions for an affordable housing contribution, where the development results in a loss of existing affordable rental housing, per Part 3 section 48 of Chapter 2 in the Housing SEPP.

The *Environmental Planning and Assessment Amendment Act 2025 No 24* amended section 7.32 of the Act to enable LEPs and SEPPs to expand existing and introduce new affordable housing contribution requirements.

The amendment broadened the scope for Environmental Planning Instruments to secure contributions including under Chapter 2, Part 3 of the Housing SEPP, where a development results in the loss of affordable housing.

Noting recent legislative updates, the Department does not consider it necessary to amend the CBLEP for the purposes of clarifying Council's authority to impose affordable housing contribution requirements within conditions of consent in accordance with Part 3 of the Housing SEPP. A gateway condition is recommended to remove this proposed amendment from the planning proposal.

Canada Bay Affordable Housing Contribution Scheme (AHCS):

The proposal seeks to implement an update to the Canada Bay AHCS. The updates seek to incorporate various housekeeping amendments including:

- a summary of applicable affordable housing contribution percentages for each specific area subject to the AHCS
- new and amended definitions for terms including *affordable housing*, *affordable rental housing*, *equivalent monetary contribution*, *key workers*, *net saleable area*, *contribution rate* and *social housing*
- updated references to local plans and policies including Council's *Disability Inclusion Action Plan* (DIAP) and Affordable Housing Policy
- explanation of the relationship with affordable housing provisions under State Environmental Planning Policy (Housing) 2021
- reinforcement of Council's preference for the dedication of completed affordable housing dwellings
- application of a dollar per square metre rate based on the average median strata dwelling price across the LGA
- new and revised calculation examples for dwelling dedication and financial contributions
- explanation of how the equivalent monetary contribution rate is calculated
- removal of requirements relating to the ongoing management of affordable housing by Council, noting these are to be included within Council's updated Affordable Housing Management Guidelines.

The planning proposal contains an explanation of provisions that adequately explains how the objectives of the proposal will be achieved.

1.4 Site description and surrounding area

The planning proposal applies to all land within the Canada Bay LGA.

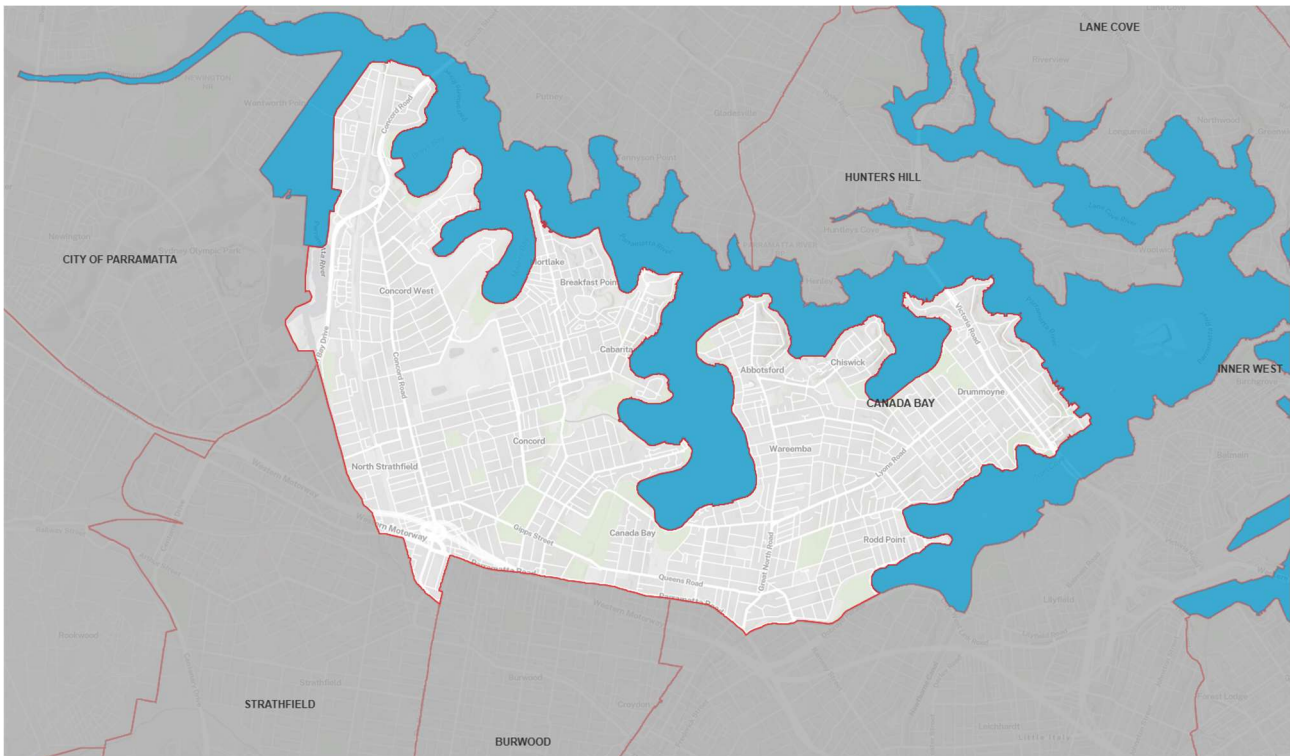


Figure 1 Canada Bay LGA

1.5 Mapping

The planning proposal does not seek to amend any LEP maps.

1.6 Background

Council's AHCS sets out how, where and at what rate contributions are collected for affordable housing. Affordable housing contributions can be either as an on-site contribution (provision of a dwelling) or an equivalent monetary contribution.

City of Canada Bay adopted the original version of its Affordable Housing Contribution Scheme in August 2020. The Scheme has been amended twice to include additional contribution areas within the LGA.

The AHCS applies to the entire Canada Bay Local Government Area, with specific affordable housing contributions areas for:

- Rhodes East
- Rhodes West
- Parramatta Road Corridor (Kings Bay, Burwood and Homebush Affordable Housing Contribution Areas)
- 160 Burwood Road, Concord
- 1-7 Ramsay Road, Five Dock.

2 Need for the planning proposal

Q1. Is the planning proposal a result of an assured local strategic planning statement, or Department approved local housing strategy, employment strategy or strategic study or report?

The planning proposal is the result of a proposed update to Council's AHCS which will allow Council to continue supporting the delivery of affordable housing within its Local Government Area.

Q2. Is the planning proposal the best means of achieving the objectives or intended outcomes, or is there a better way?

A planning proposal is the best means of achieving the intended objectives and outcomes, as it will provide legal recognition of the updated local affordable housing contribution requirements via the Canada Bay LEP.

3 Strategic assessment

3.1 Regional Plan

The Greater Sydney Region Plan – *A Metropolis of Three Cities* (Region Plan), released in 2018, integrates land use, transport and infrastructure planning and sets a 40-year vision for Greater Sydney as a metropolis of three cities. The Region Plan contains objectives, strategies and actions which provide the strategic direction to manage growth and change across Greater Sydney over the next 20 years.

Under section 3.8 of the *Environmental Planning and Assessment Act 1979 (EP&A Act)* a planning proposal is to give effect to the relevant District Plan. By giving effect to the District Plan, the proposal is also consistent with the Regional Plan. Consistency with the District Plan is assessed in section 3.2 below.

3.2 District Plan

The site is within the Eastern District and the Greater Sydney Commission released the Eastern District Plan on 18 March 2018. The plan contains planning priorities and actions to guide the growth of the district while improving its social, economic and environmental assets.

The planning proposal is consistent with the priorities for infrastructure and collaboration and liveability, in the plan. Specifically, the planning proposal contributes to Planning Priority E5: Providing housing supply, choice and affordability, with access to jobs, services and public transport. The proposal is consistent with this priority as it will ensure affordable housing can continue to be delivered within the relevant affordable housing contribution areas across the LGA.

The Department is satisfied the planning proposal gives effect to the District Plan in accordance with section 3.8 of the *Environmental Planning and Assessment Act 1979*.

3.3 Local Plans

The proposal states that it is consistent with the following local plans and endorsed strategies. It is also consistent with the strategic direction and objectives, as stated in the table below:

Table 3 Local strategic planning assessment

| Local Strategies | Justification |
|----------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Local Strategic Planning Statement | <p>Council's endorsed LSPS sets out a 20-year vision for the land use planning within the Canada Bay LGA, as well as the planning priorities and actions that are needed to achieve Council's vision. It gives effect to the District Plan at a local level and is informed by strategies prepared by Council, including the Community Strategic Plan.</p> <p>The planning proposal is consistent with the LSPS including Priority 5 as it will ensure the continued implementation of Council's AHCS supporting housing supply, choice and affordability in key locations across the LGA.</p> |
| Canada Bay Local Housing Strategy (LHS) | <p>The planning proposal is consistent with the Canada Bay Local Housing Strategy specifically the key housing priority 5 which aims to ensure housing in the LGA provides opportunities for key workers, low-income households and other groups through the requirement for the private sector to provide affordable housing as part of larger redevelopment. The proposed housekeeping updates to the AHCS will continue the ongoing provision of affordable housing in specific areas as redevelopment occurs.</p> |
| Canada Bay Disability Inclusion Action Plan (DIAP) | <p>The amendment seeks to reflect Canada Bay's Disability Inclusion Action Plan (DIAP) within the AHCS. One of the four guiding principles used to guide Council's DIAP is to <i>Create accessible spaces and services</i>.</p> <p>The revised AHCS places greater emphasis on the principles of inclusivity and accessibility when considering local affordable housing practices. This is denoted by the amendments to the objectives section of the AHCS which explicitly identifies <i>providing accessible housing for all</i> as one of the local community's housing needs.</p> <p>The planning proposal is consistent with Council's Disability Inclusion Action Plan.</p> |

3.4 Local Planning Panel (LPP) recommendation

The Canada Bay Local Planning Panel (LPP) considered the proposal on 20 March 2025 and provided its support for the proposal progressing to the Department for a Gateway determination.

The LPP also noted and indicated support for an intended broader scale review of the Affordable Housing Contribution Scheme in the future. The Panel encouraged Council to ensure the latest data is used regarding land costs and construction costs, given escalating prices over time. The Panel noted that the Valuer General's data for Canada Bay shows residential land values has increased approximately 50% since 2020/21.

In considering the LPP's feedback, Council noted the intent to undertake a holistic review of the AHCS after this proposed housekeeping amendment is completed. Council also noted that the contribution rates are updated in line with data provided in the quarterly *Rent and Sales Report* prepared by the Australian Statistical Geography Standard of the Australian Bureau of Statistics (ABS).

3.5 Section 9.1 Ministerial Directions

The planning proposal's consistency with relevant section 9.1 Directions is discussed below:

Table 4 9.1 Ministerial Direction assessment

| Direction | Consistency | Reasons for Consistency or Inconsistency |
|------------------------------------------------------------|-------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1.5 Parramatta Road Corridor Urban Transformation Strategy | Consistent | <p>The objective of this Direction is to ensure that planning controls applicable to the land identified within the <i>Parramatta Road Corridor Urban Transformation Strategy</i> (PRCUTS), facilitate increased development, job diversity, and housing diversity along the Parramatta Road Corridor.</p> <p>The planning proposal impacts land to which PRCUTS applies; therefore, this Direction is applicable to the planning proposal.</p> <p>The planning proposal is not expected to hinder development nor job diversity along the Parramatta Road Corridor.</p> <p>The planning proposal is intended to enable better outcomes for housing diversity through simplifying and clarifying the processes associated with affordable housing contributions.</p> <p>The planning proposal is consistent with this Direction.</p> |
| 6.1 Residential Zones | Consistent | <p>This direction aims to encourage a variety of housing types, make efficient use of infrastructure and services and minimise the impact of residential development on the environment and resource lands.</p> <p>The planning proposal does not contain provisions that are inconsistent with the objectives of this direction.</p> <p>The proposal is consistent with the direction.</p> |
| Direction 7.1 Employment Zones | Consistent | <p>This direction aims to encourage employment growth and protect industrial and employment lands. It applies to the planning proposal as it will affect land zoned MU1 Mixed Use, E1 Local Centre and E3 Productivity Support where some types of residential accommodation are permissible with consent in these zones.</p> <p>The planning proposal does not seek to reduce potential floorspace for employment or light industrial uses.</p> |

3.6 State environmental planning policies (SEPPs)

The Department has considered the proposal against relevant SEPPs. The assessment of the proposal against SEPP (Housing) 2021 is set out below.

SEPP (Housing) 2021

The SEPP (Housing) 2021 seeks to promote the delivery of diverse and affordable housing.

The planning proposal seeks to amend the CBLEP to reference a revised AHCS, which clarifies and simplifies various ambiguities within Council's current AHCS. The clarifications provided by this revision will assist in optimising the efficiency and effectiveness of affordable housing contribution procedures within the Canada Bay LGA.

The draft AHCS update includes amendments to Section 1.9 of the scheme. These amendments would require monetary contributions made under the Housing SEPP to also be made in accordance with Section 3 of Council's AHCS. Section 3 of Council's AHCS designates Council as the beneficiary of monetary contributions made in lieu of affordable housing dedications.

In accordance with section 7.33(3)(b) (formerly section 94G(3)(b)) of the EP&A Act 1979, *The Minister may give a direction, that applies generally or in any particular case or class of cases, to a consent authority requiring it to pay a monetary contribution to a person nominated by the Minister, if it imposes a condition under this Division requiring the payment of the monetary contribution.*

A Ministerial Direction issued under this section of the EP&A Act on 2 October 2009, directs any funds collected in relation to development that reduces the availability of affordable housing must be transferred to the Department of Communities and Justice (DCJ) (now part of Homes NSW). It is understood that funds are provided to community housing providers to develop local affordable housing projects in the local area or neighbouring LGA.

Having consideration for the above, the requirements contained within Section 1.9 of the draft AHCS would be unachievable given the pre-existing and prevailing legal obligations to the EP&A Act and Ministerial Direction.

Consequently, a condition is recommended requiring the AHCS be updated in response.

4 Site-specific assessment

4.1 Environmental

The proposal is unlikely to generate any significant environmental impacts noting that the amendments proposed are primarily administrative in nature.

4.2 Social and economic

The following table provides an assessment of the potential social and economic impacts associated with the proposal.

Table 6 Social and economic impact assessment

| Social and Economic Impact | Assessment |
|----------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Key worker definition | <p>The Department is supportive of Council's recognition that affordable housing may benefit key workers. However, the planning system does not currently contain a definition of key workers and concern is raised that the use of a specific definition may limit the flexibility of the occupations determined to be 'key workers' at any given time. Should Council wish to retain the proposed definition which lists the key worker occupations, flexibility in its application should be considered. The definition could include a note that the list of occupations may change from time to time. Alternatively, Council may wish to consider an alternate method used by other councils, such as an eligibility scheme that relates to local connection such as employment in the local area.</p> <p>A gateway condition is recommended accordingly.</p> |
| Equivalent monetary contribution | <p>The draft AHCS includes an update to simplify the formula where an equivalent monetary contribution is calculated. The draft AHCS also implements a change to the dollar per square metre methodology by applying a dollar rate based on the</p> |

| Social and Economic Impact | Assessment |
|----------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| | <p>medium strata dwelling price of the entire LGA to result in a consistent contribution per square metre across each affordable housing contribution area. The current AHCS implements a dollar rate based on the medium strata dwelling price within the different suburbs of the LGA.</p> <p>Council notes that these changes will ensure the AHCS is more easily understood and will avoid errors when applying multiple dollar rates and contribution percentages.</p> <p>Council notes that this approach will see an increased dollar rate in the Rhodes, Homebush North, Burwood and Kings Bay precincts and a decreased rate in Concord, Concord West and Five Dock.</p> |

4.3 Infrastructure

The proposal is unlikely to generate any additional infrastructure needs, noting that the amendments proposed are primarily administrative in nature.

5 Consultation

5.1 Community

The planning proposal is categorised as standard as described in the Local Environmental Plan Making Guideline (Department of Planning and Environment, August 2023) and must be made publicly available for a minimum of 20 working day. This forms a condition of the Gateway determination.

5.2 Agencies

Consultation will not be required with agencies given the administrative nature of the proposal.

6 Timeframe

Council did not propose a time frame to complete the LEP.

The LEP Plan Making Guidelines (August 2023) establishes maximum benchmark timeframes for planning proposal by category. This planning proposal is categorised as a standard

The Department recommends an LEP completion date of 9 April 2026 in line with its commitment to reducing processing times and with regard to the benchmark timeframes.

7 Local plan-making authority

Given the changes sought by the planning proposal are administrative in nature, the Department recommends that Council is authorised to be the local plan-making authority for this proposal.

8 Assessment summary

The planning proposal is supported to proceed, subject to conditions, for the following reasons:

- The proposed updates to Council's Affordable Housing Contribution Scheme will simplify the administration of the plan.

- The proposed changes have strategic and site specific merit.
- The proposed amendments will not hinder the operation of relevant SEPPs.

As discussed in the previous sections 4 and 5, the planning proposal should be updated to:

- ensure the objective and intended outcomes of the proposal are clear
- remove the proposed amendment authorising Council to impose a condition requiring a contribution in accordance with Chapter 2 Part 3 of SEPP (Housing) 2021
- amend the AHCS to clarify the collection of monetary funds under Chapter 2 Part 3 of the Housing SEPP must be transferred to the Department of Communities and Justice (DCJ) (now part of Homes NSW)
- amend the definition of key worker in the AHCS to allow flexibility in its application.

9 Recommendation

It is recommended the delegate of the Minister determine that the planning proposal should proceed subject to conditions.

The following conditions are recommended to be included on the Gateway determination:

1. The planning proposal is to be updated to:
 - (a) ensure the objective and intended outcomes of the proposal are clear
 - (b) remove the proposed amendment authorising Council to impose a condition requiring a contribution in accordance with Chapter 2 Part 3 of SEPP (Housing) 2021
 - (c) amend the AHCS to clarify the collection of monetary funds under Chapter 2 Part 3 of the Housing SEPP must be transferred to the Department of Communities and Justice (DCJ) (now part of Homes NSW)
 - (d) amend the definition of key worker in the AHCS to allow flexibility in its application.
2. The planning proposal should be made available for community consultation for a minimum of 20 working days.

Given the nature of the planning proposal, it is recommended that the Gateway authorise council to be the local plan-making authority.

The timeframe for the LEP to be completed is on or before 9 April 2026

Eleanor Robertson

Manager, Local Planning and Council Support (North, East and Central Coast)



28 October 2025

Jazmin van Veen

Director, Local Planning (North, East and Central Coast)

Assessment officer

James Bellamy

Student Para Planner, Local Planning and Council Support (North, East and Central Coast)