

Planning Proposal



Broad Based Affordable Housing Contributions Scheme



Version Date:	April 2026
Division/Department:	Planning and Place / Strategic Planning
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HPE CM Record Number:	25/53726

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Acknowledgement of Country

Woollahra Council acknowledges that we are on the land of the Gadigal and Birrabirragal people, the Traditional Custodians of the land. We pay our respects to Elders past and present.

1. Introduction

This planning proposal seeks amendments to the *Woollahra Local Environmental Plan 2014* (Woollahra LEP 2014) to implement an affordable housing contributions scheme (AHCS) across the Woollahra Local Government Area (LGA).

Affordable housing contributions are paid by applicants when new development is carried out, usually before any site works commence. The funds raised from these contributions are used to provide lower cost rental housing to community members who are unable to access private housing.

This planning proposal seeks to implement these contributions across the LGA., using a ‘broad based’ approach. This involves the implementation of varying rates that are tailored to different types of development.

Specifically, the new AHCS will be implemented through amendments to local provisions in the Woollahra LEP 2014. It is accompanied by the *Woollahra Affordable Housing Contributions Scheme* itself. This is a standalone Council policy document, which sits alongside the Woollahra LEP 2014 and facilitates the scheme’s operation.

This planning proposal has been prepared in accordance with section 3.33 of the *Environmental Planning and Assessment Act 1979* (EP&A Act) and the *Local Environmental Plan Making Guideline*.

This planning proposal applies to the whole Woollahra LGA.

1.1. Need for affordable housing

Council is obliged to “promote the delivery and maintenance of affordable housing” under object 1.3(d) of the *Environmental Planning and Assessment Act 1979* (EP&A Act). Affordable housing contributions permitted under Division 7.2 of the EP&A Act, and can be either monetary contributions, or the dedication of dwellings. Contributions must be further authorised by a clause within a local environmental plan, which is sought by this planning proposal.

Research conducted by SGS Economics and Planning highlights the importance of affordable housing supply in the Woollahra LGA. For instance, only approximately 10% of the rental supply (measured by rental bonds data) is affordable to households earning 80% of the area’s median income or less. As such, one-third of all renter households are living in housing stress, meaning they spend more than 30% of their pre-tax income on rent. Into the future, estimates suggest that there will be 3,367 renter households in housing stress by 2041, which is an increase of 722 households. Accordingly, Council policy intervention is required now to help address this growing issue.

1.2. Low and mid-rise housing reforms

Relevant to this planning proposal is the *Low and Mid-Rise Housing Policy* (LMR Policy), which commenced on 28 February 2025. Controls for this policy are under Chapter 6 of *State Environmental Planning Policy (Housing) 2021* (Housing SEPP).

The policy impacts key envelope controls for housing on land surrounding station and town centre precincts. The precincts in our area are Double Bay, Edgecliff and Rose Bay (New South Head Road). However, the LGA is also affected by neighbouring precincts in Bondi Junction, Kings Cross, Darlinghurst and Paddington. A visual representation of these precincts is shown in **Figure 1** below.

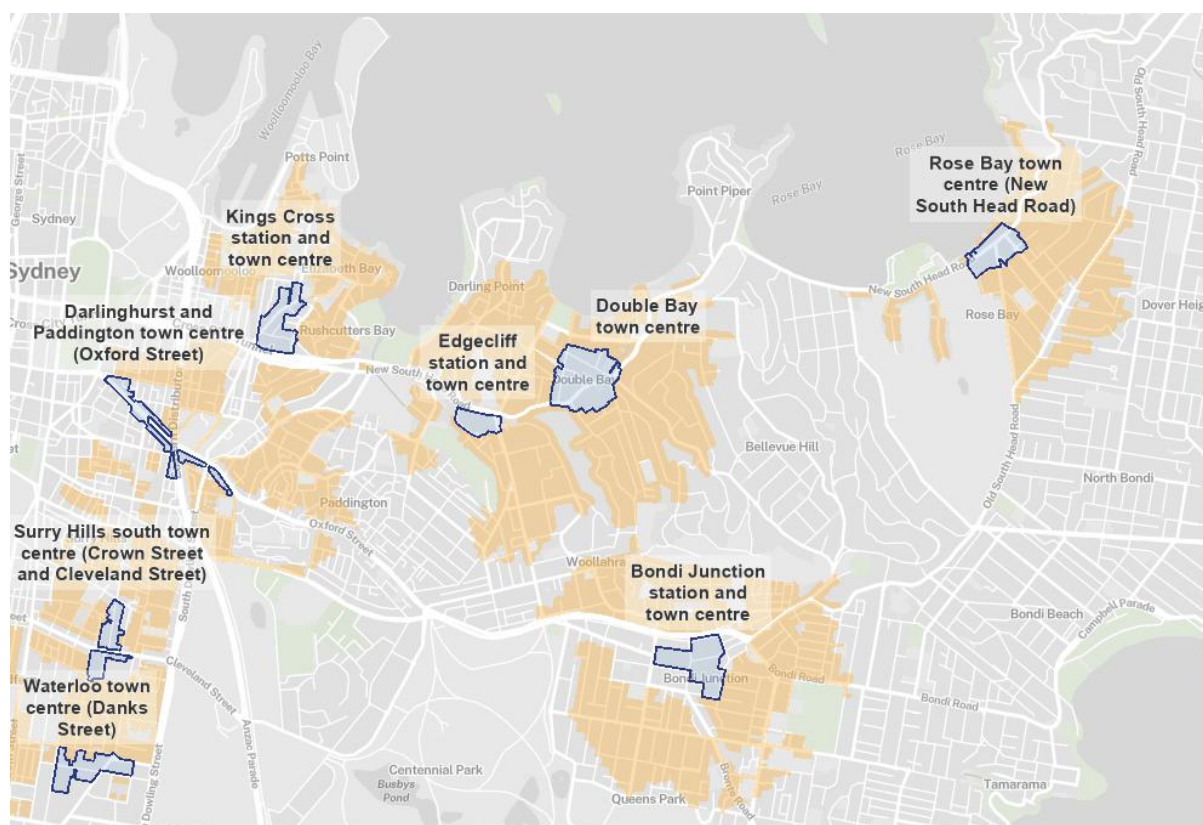


Figure 1: Indicative low and mid-rise housing areas (shaded orange). Source: NSW Government.

The reforms allow much larger, denser development than is permitted under the Woollahra LEP 2014 in low and mid-rise housing areas within 800m walking distance of a station or town centre precinct.

Key changes include:

- Increases in height to allow for apartments of 6 storeys within 400m of precincts, and 4 storeys within 800m (or with the Housing SEPP affordable housing bonus, 8 storeys and 6 storeys respectively).
- Permitting two storey multi-dwelling housing (townhouses and terraces) and manor houses in current low density residential areas within 800m of precincts.

In some areas, the reforms allow for a 221% increase in building height and a 462% increase in floor space ratio (FSR).

The NSW Government has not introduced any value capture mechanism as part of these reforms, meaning any financial gains of the uplift go exclusively to individual landowners.

To date, applications submitted to Council that utilise these reforms have sought to deliver large, luxurious apartments that do not cater for low to moderate income households. In some cases, they also involve the demolition of smaller, more affordable apartment blocks. Accordingly, this planning proposal provides an opportunity to collect some of the windfall gain of the uplift and divert it to supplying new affordable accommodation.

1.3. Council resolution to prepare scheme

The final scope of the low and mid-rise housing reforms was announced the week before Council was due to discuss the progression of Edgecliff Commercial Centre (ECC) planning proposal. This project, being separately progressed, proposes the following in the ECC:

- Alternative building height and FSR controls on certain sites, where amalgamation requirements are met, and sites are not subject to any additional bonuses;
- A range for non-residential FSRs;
- Controls for active frontages, dwelling mix and the public domain; and
- An AHCS for the ECC.

In endorsing the ECC planning proposal, Council also resolved to commence other policy initiatives in response to the LMR Policy.

On 24 February 2025, Council resolved that it:

- Note the advice provided by the Woollahra Local Planning Panel on 19 December 2024 regarding the planning proposal to amend the controls for the Edgecliff Commercial Centre.*
- Resolves to support the planning proposal as contained at Attachment 1 of the report to the Strategic and Corporate Committee of 17 February 2025 to revise controls for the Edgecliff Commercial Centre.*
- Forwards the planning proposal to the Department of Planning, Housing and Infrastructure seeking a Gateway determination to allow public exhibition.*
- Requests the Minister for Planning and Public Spaces (or delegate) to authorise Council as the local plan-making authority to make the local environmental plan under section 3.36 of the Environmental Planning and Assessment Act 1979.*
- Request staff to commence an expedited investigation of opportunities to increase the section 7.12 rate payable in the Edgecliff Commercial Centre and all areas within Station and Town Centre Precincts under the low and mid-rise housing reforms.*
- Request staff to prepare a planning proposal to establish an affordable housing contributions scheme for the entire Woollahra Local Government Area, and refer this to the Woollahra Local Planning Panel for advice.*
- Request staff to prepare a planning proposal to establish design excellence provisions for the whole Woollahra Local Government Area, and refer this to the Woollahra Local Planning Panel for advice.*
- Requests the Mayor work with the General Manager and the Communications and Engagement Manager to use Council's communications channels and media statements to highlight:*

- a. *The State Government's overruling of local planning recommendations and their blatant disregard for meaningful consultation with local communities on planning decisions that are not in the best interests of our residents and local businesses; and*
 - b. *The continued and ongoing work of Council already being undertaken to deliver housing and meet housing targets.*
- I. *Request staff to carry out updates to the traffic report (prior to a post exhibition report) in relation to the Edgecliff Commercial Centre incorporating the cumulative impact of other developments such as 8-10 New McLean Street, 1 Darling Point Road and the Edgecliff Centre.*
 - J. *Request the Mayor write to the Planning Minister requesting that councils be given power to consult with the Sydney and Regional Planning Panels with respect to planning proposals, noting our work and the Edgecliff Strategy. The Mayor would note the discretionary power such panels have to approve or refuse developments, and the need for Council to develop an effective, plausible and governable planning proposal.*

This planning proposal enacts Part F of the above resolution.

1.4. Woollahra Local Planning Panel

This planning proposal was referred to the Woollahra Local Planning Panel on 5 February 2026. The panel were supportive of the proposed amendments and recommended that Council proceed. The advice is provided below:

THAT the Woollahra Local Planning Panel advises Council that it:

- A. *A. Supports the planning proposal (as provided at Attachment 1) to establish a broad based affordable housing contributions scheme applying to residential accommodation under the Woollahra Local Environmental Plan 2014.*
- B. *Notes the rigour of the evidence base and feasibility information provided by SGS Economics and Planning at Attachment 3.*
- C. *Recommends that the planning proposal be expedited wherever possible to hasten the establishment of this important housing initiative.*

1.5. Council resolution for Gateway submission

On 30 March 2026, Council considered the advice of the Woollahra Local Planning Panel and resolved to endorse the planning proposal for Gateway submission as follows:

THAT Council:

- A. *Note the advice provided by the Woollahra Local Planning Panel from 5 February 2026 on the planning proposal to establish a broad-based affordable housing contributions scheme applying to residential accommodation under the Woollahra Local Environmental Plan 2014.*
- B. *Amends the planning proposal as contained at Attachment 1 of the report to the Environmental Planning Committee of 2 March 2026 so that dwelling houses, semi-detached dwellings, attached dwellings and dual occupancies are specifically excluded from the affordable housing contributions scheme.*
- C. *Forwards the amended planning proposal to the Department of Planning, Housing and Infrastructure seeking a Gateway determination to allow public exhibition.*
- D. *Requests the Minister for Planning and Public Spaces (or delegate) to authorise Council as the local plan-making authority to make the local environmental plan under section 3.36 of the Environmental Planning and Assessment Act 1979.*

2. Existing planning controls

2.1. Edgecliff Commercial Centre scheme

There are currently no AHCSs operating in the Woollahra LGA. However, as discussed above, Council is concurrently progressing a planning proposal to establish one for the ECC.

The scheme for the ECC is based on feasibility testing by SGS Economics and Planning, which accounts for Council-led uplift contained in the same planning proposal.

At the time of preparing this document, in January 2026, this planning proposal is under assessment by the Department of Planning, Industry and Environment (DPHI) and awaiting a Gateway determination.

A draft of the *Woollahra Affordable Housing Contributions Scheme* itself accompanies the ECC planning proposal. Another version of this document accompanies the subject planning proposal. It has been drafted in a manner that assumes the subject planning proposal will proceed first. This is due to complexities associated with the ECC planning proposal and the State-led rezoning affecting Edgecliff and the future Woollahra Station site.

Ultimately both the ECC and broad based schemes will be administered by the same overarching *Woollahra Affordable Housing Contributions Scheme* document. However, they will be enacted by two separate clauses in the Woollahra LEP 2014.

2.2. Comparable affordable housing schemes

While this is Woollahra's first LGA wide AHCS, there are examples of similar schemes by adjoining councils, as follows:

- **City of Sydney (1996 onwards):** The City of Sydney introduced an AHCS in Ultimo-Pyrmont in the 1990s through the rezoning and major redevelopment of previous industrial land. This was the first AHCS in NSW and the City has now developed a sizeable stock of affordable rental housing. Contributions were later identified as being necessary for the Southern Employment Lands and Green Square. As of 2023, new residential development in the City is subject to an AHCS requiring a rate of 3% for residential development and 1% for non-residential development.
- **Randwick (2020):** As part of the Kensington and Kingsford town centre rezonings, resulting from the opening of the South East Light Rail, a contribution of 3% was introduced for residential floor space, which rose to 5% two years later.
- **Waverley (2023):** A flat contribution of 1% was introduced for all new independent living units, multi dwelling housing, residential flat buildings, and shop top housing development. A higher rate of 10% was proposed for land subject to planning proposals, however this was not supported by the DPHI. Council staff note that Waverley is currently progressing a planning proposal to establish an AHCS that applies to LMR Policy development.

3. Objectives of planning proposal

The objectives of this planning proposal are to:

- Encourage the provision and maintenance of affordable housing.
- Provide a transparent framework for affordable housing contributions.
- Increase the amount of funding available to Council to assist in the provision of affordable, inclusive and diverse housing for very low, low and moderate income households.
- Ensure affordable housing contribution rates do not impact on development viability.
- Provide certainty for landowners seeking to develop land in the Woollahra LGA.

4. Explanation of provisions

4.1. Overview of clause

The objectives of this planning proposal will be achieved by amendments to the Woollahra LEP 2014.

The following text is indicative of what would be included as a new local provision. It should be noted that the draft clause is indicative only and would be subject to drafting by the Parliamentary Counsel's Office, should the proposal progress to finalisation.

6.13 Affordable housing

- (1) *This clause applies to development that contains residential accommodation, other than excluded development, in the Woollahra Local Government Area.*
- (2) *The consent authority may, when granting consent to the carrying out of development (other than development that is excluded development) impose a condition requiring a contribution not exceeding the "affordable housing contribution" in subclauses (3) to (5).*
- (3) *For development on land in Zone R3 Medium Density Residential in the low and mid rise housing inner area, the affordable housing contribution is calculated as follows:*
 - (a) *for a development application lodged from [DATE] and up to and including [DATE] — so much (if any) of the gross floor area of the development that is intended to be used for residential accommodation, as nominated in Column 2 of this table, for the relevant Ward in Column 1 of this table, and:*
 - (b) *for a development application lodged from [DATE] and up to and including [DATE] — so much (if any) of the gross floor area of the development that is intended to be used for residential accommodation, as nominated in Column 3 of this table, for the relevant Ward in Column 1 of this table, and:*
 - (c) *for a development application lodged after [DATE] — so much (if any) of the gross floor area of the development that is intended to be used for residential purposes, as nominated in Column 4 of this table, for the relevant Ward in Column 1 of this table.*

Column 1	Column 2	Column 3	Column 4
Ward	After 1 year	After 3 years	After 5 years
Vaucluse Ward	2.0%	5.5%	8.5%
Bellevue Hill Ward	2.0%	6.0%	9.0%
Double Bay Ward	4.0%	9.0%	10.0%
Cooper Ward	1.5%	4.5%	7.0%
Paddington Ward	1.5%	4.5%	7.5%

- (4) *For development on land in Zone R3 Medium Density Residential in the low and mid rise housing outer area (excluding development on land in the low and mid rise housing inner area), the affordable housing contribution is calculated as follows*
 - (a) *for a development application lodged from [DATE] and up to and including [DATE] — so much (if any) of the gross floor area of the development that is intended to be used for residential accommodation, as nominated in Column 2 of this table, for the relevant Ward in Column 1 of this table, and:*

- (b) for a development application lodged from [DATE] and up to and including [DATE] — so much (if any) of the gross floor area of the development that is intended to be used for residential accommodation, as nominated in Column 3 of this table, for the relevant Ward in Column 1 of this table, and:
- (c) for a development application lodged after [DATE] — so much (if any) of the gross floor area of the development that is intended to be used for residential accommodation, as nominated in Column 4 of this table, for the relevant Ward in Column 1 of this table.

Column 1	Column 2	Column 3	Column 4
Ward	After 1 year	After 3 years	After 5 years
Vaucluse Ward	1.0%	3.5%	5.5%
Bellevue Hill Ward	1.0%	3.5%	5.5%
Double Bay Ward	2.0%	6.5%	10.0%
Cooper Ward	1.5%	4.0%	6.0%
Paddington Ward	1.5%	4.5%	7.0%

(5) For development in all other areas of the Woollahra Local Government Area, the affordable housing contribution is calculated as follows:

- (a) for a development application lodged from [DATE] and up to and including [DATE] — so much (if any) of the gross floor area of the development that is intended to be used for residential accommodation, as nominated in Column 2 of this table, for the relevant Ward in Column 1 of this table, and:
- (b) for a development application lodged from [DATE] and up to and including [DATE] — so much (if any) of the gross floor area of the development that is intended to be used for residential purposes, as nominated in Column 3 of this table, for the relevant Ward in Column 1 of this table, and:
- (c) for a development application lodged after [DATE] — so much (if any) of the gross floor area of the development that is intended to be used for residential purposes, as nominated in Column 4 of this table, for the relevant Ward in Column 1 of this table.

Column 1	Column 2	Column 3	Column 4
Ward	After 1 year	After 3 years	After 5 years
Vaucluse Ward	1.0%	3.5%	5.5%
Bellevue Hill Ward	0.5%	2.0%	3.5%
Double Bay Ward	0.5%	2.0%	3.5%
Cooper Ward	0.5%	2.0%	3.0%
Paddington Ward	0.5%	1.5%	2.5%

(6) The floor area of any excluded development is not to be included as part of the gross floor area of a development for the purposes of calculating the applicable affordable housing contribution.

(7) A condition imposed under this clause must satisfy the affordable housing contribution:

- (a) by way of a dedication in favour of the Council of land comprising 1 or more dwellings with any remainder being paid as a monetary contribution to the Council, or
- (b) by way of a monetary contribution to the Council, where permitted under the Woollahra Affordable Housing Contributions Scheme.

(8) *The rate at which monetary contribution is taken to be equivalent to floor area for the purposes of this clause is to be calculated in accordance with the Woollahra Affordable Housing Contributions Scheme adopted by the Council.*

- **Note:** *The plan is made available by the Council on its website.*

(9) *To avoid doubt—*

(a) *it does not matter whether the floor area, to which a condition under this clause relates, was in existence before, or is created after, the commencement of this clause, or whether or not the floor area concerned replaces a previously existing area, and*

(b) *the demolition of a building, or a change in the use of the land, does not give rise to a claim for a refund of any contribution.*

(10) *In this clause—*

- **"excluded development"** *means development for the following purposes—*

(a) *Development for the purposes of residential accommodation that will result in the creation of less than 100 square metres of gross floor area,*

(b) *Development for the purposes of residential accommodation that is used to provide public housing or affordable housing in perpetuity.*

(c) *Development for the purposes of a dwelling house, dual occupancy, semi-detached dwelling or attached dwelling.*

"Low and mid rise housing inner area" *has the same meaning as in State Environmental Planning Policy (Housing) 2021*

"Low and mid rise housing outer area" *has the same meaning as in State Environmental Planning Policy (Housing) 2021*

1.8A Savings provisions relating to development applications

(3) *The amendments made to this plan by Woollahra Local Environmental Plan 2014 (Amendment No XX), do not apply to a development application or application to modify a development consent made, but not finally determined, before the commencement of the amendments.*

4.2. Summary of scheme

The above clause will implement an AHCS that applies to all residential accommodation, except for dwelling houses, dual occupancies, semi-detached dwellings and attached dwellings.

Residential accommodation includes the following remaining land uses under the Woollahra LEP 2014:

- Co-living housing,
- Group homes,
- Hostels,
- Multi dwelling housing,
- Residential flat buildings,
- Rural workers' dwellings,

- Secondary dwellings,
- Seniors housing,
- Shop top housing.

The rates applying to this development will vary over three categories of land:

- Land within the R3 Medium Density Residential zone that is within 400m of an LMR Policy station and town centre precinct;
- Land within the R3 Medium Density Residential zone that is greater than 400m and less than 800m of an LMR policy station and town centre precinct;
- All other land in the Woollahra LGA, including all commercial and residential zones.

The percentage rate payable will increase over time, to align with changing development feasibility. It is important to note that the 'years' will be measured from the date that the AHCS is publicly exhibited, and not its formal adoption.

The rates vary between each ward, as each one has different feasibility conditions. In this way, the AHCS seeks to maximise the contribution payable without undermining the overall feasibility of new development.

Only development that creates more than 100sqm of gross floor area (GFA) of residential accommodation will be subject to the scheme, with the remainder being excluded. This approach is consistent with the AHCS for the ECC and is considered a reasonable threshold by Council staff that ensures minor development is not subject to a contribution. The scheme will also exclude public housing and affordable housing to be used in perpetuity.

4.3. Operation of scheme

If implemented, amendments to the Woollahra LEP 2014 would require the dedication of affordable dwellings in perpetuity, or payment of an affordable housing contribution to Council (consistent with the AHCS), via a condition of development consent. Any monetary contributions would be pooled and then used to invest in affordable housing assets, made available to tenants who meet pre-established criteria.

The proposed scheme, like all AHCSs, would work in the following manner

1. Council adopts an affordable housing contribution percentage rate for residential floor area (e.g. 2.5%) that is contained in the Woollahra LEP 2014.
2. Council adopts a monetary figure per square metre (e.g. \$25,500) that is captured within the *Woollahra Affordable Housing Contributions Scheme*.
3. When an applicant has a development application approved, staff impose a condition requiring them to either:
 - Dedicate X % of floor space as affordable housing in perpetuity; or
 - Pay of an in-lieu contribution for the requisite amount of residential floor space*.

* As an example, if a development has 10,000sqm of residential floor space, the planner would take 2.5% of 10,000 which is 250sqm, then multiply it by \$25,500, equaling a contribution of \$6,375,000.

The AHCS will be administered by the *Woollahra Affordable Housing Contributions Scheme*, which is circulated with this document. It is responsible for providing the mechanism for acquiring the contributions and establishes broad operational parameters.

The scheme requires that contributions valued over 50sqm must be provided in-kind (i.e. the dedication of dwellings) rather than only in in-lieu. However, if the value of dedicated floor space does not amount to complete dwellings, the remainder must be paid in-lieu and used to provide accommodation elsewhere.

Detailed operational requirements are contained in an updated *Woollahra Affordable Housing Policy 2021* (Affordable Housing Policy).

5. Justification

This section establishes the need for a planning proposal. The set questions below address the strategic origins of the proposal and demonstrate that amending the Woollahra LEP 2014 is the best approach to achieve the objectives of the planning proposal.

5.1. Section A - Need for planning proposal

5.1.1. Is the planning proposal a result of an endorsed local strategic planning statement, strategic study or report?

1. Affordable Housing Policy

The planning proposal is the result of the Affordable Housing Policy, which was endorsed by Council on 25 October 2021.

As expressed in the policy, Council is committed to protecting existing affordable housing and facilitating new stock to meet the needs of our community, particularly essential workers on low and moderate incomes. The Affordable Housing Policy identifies an aspiration for diverse housing choices, catering for a range of needs and incomes. This is intended to allow people of all capabilities to participate in community life and live in reasonable comfort.

The Affordable Housing Policy specifically identifies *State Environmental Planning Policy No 70—Affordable Housing (Revised Schemes)* as a pathway to Council providing such housing in the Woollahra LGA. This mechanism is now contained in *State Environmental Planning Policy (Housing) 2021* (Housing SEPP). Accordingly, the Affordable Housing Policy articulates Council's aspiration to provide this important social infrastructure through an affordable housing scheme.

2. SGS Affordable Housing Study 2026

This planning proposal is primarily justified by the *Evidence Base and Feasibility for Broad Based Affordable Housing Contribution Scheme* (the SGS Report), prepared by SGS Economics and Planning. It establishes a clear evidence base for implementing the proposed AHCS, and contains detailed feasibility testing to ensure that it will not unreasonably affect the development potential of any affected site.

SGS Economics and Planning developed the basis for the AHCS in full compliance with the NSW Government's *Guideline for Development of an Affordable Housing Contributions Scheme*. The recommended scheme was developed using the following methodology:

1. Review of legislative and policy framework - to ensure compliance with the EP&A Act and relevant Council strategies and plans.
2. Developing an affordable housing evidence base – detailed research on trends and conditions in the housing market, such as housing demand drivers (e.g., population and household growth and cohort shifts), housing sales and rent trend, household incomes, households by tenure and rental stress, housing supply conditions, dwelling stock by type and projections of need for social and affordable housing.
3. Nomination of areas and dwelling typologies for testing- to capture relevant development types across different areas of the Woollahra LGA, including those subject to the LMR Policy.

4. Testing the viability of affordable housing contributions – to examine (using a residual land value, or RLV methodology¹) redevelopment viability with varying degrees of additional uplift, with different contribution rates, and with projections of market conditions.

Based on the findings of the viability testing, the SGS Report recommended the rates referred to in Part 4 this planning proposal.

These rates are reflected in the draft clause in this planning proposal, and in the *Woollahra Affordable Housing Contributions Scheme*. The dollar amount for the in-lieu contribution rate is based off the median strata sales price for the last 12 months and is also grounded in current new dwelling sales data obtained from Council's consultant. This is consistent with industry best practice.

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

Yes. A planning proposal is the best means to achieve the objectives of the planning proposal. Under the Housing SEPP, it is necessary for any local AHCS to be implemented through amendments to the applicable local environmental plan. Accordingly, amending the Woollahra LEP 2014 is necessary to give effect to the *Woollahra Affordable Housing Contributions Scheme*.

The continuing use of Voluntary Planning Agreements (VPAs), which is the only alternative method for Council to directly capture funds from the redevelopment of sites, is not recommended by staff. They operate on a voluntary basis, meaning that applicants are not required in any way to enter into one with Council. Accordingly, VPAs are unreliable and do not guarantee that public benefits will be secured. Additionally, due to their ad hoc application, VPAs do not give a clear signal to the market about the expectations of Council prior to a redevelopment opportunity being pursued. In contrast, an AHCS transparently indicates the exact contribution that would be required from the beginning of the process, providing greater certainty to the local development market.

For these reasons, a planning proposal is the best way to achieve the objectives of this planning proposal.

¹ RLV modelling seeks to determine the viability of redevelopment by determining the underlying value of a development site by subtracting all costs (construction, soft costs, finance costs, risk, etc.) from the gross realisable value of the proposed built form.

5.2. Section B - Relationship to strategic planning framework

5.2.1. Will the planning proposal give effect to the objectives and actions of the applicable regional or district plan or strategy (including exhibited draft plans or strategies)?

Yes. The planning proposal is consistent with the relevant objectives of the *Greater Sydney Region Plan: A Metropolis of Three Cities* (2018), the *Draft Sydney Plan* (2025) and the relevant planning priorities and actions of the *Eastern City District Plan* (2018) as discussed below.

1. Greater Sydney Region Plan: A Metropolis of Three Cities

The planning proposal is consistent with the directions and objectives of *Greater Sydney Region Plan: A Metropolis of Three Cities* (Region Plan), as outlined in **Table 2**.

Table 2: Compliance with Region Plan.

Objectives	Planning proposal response
Objective 6: Services and infrastructure meet communities' changing needs.	The proposed AHCS will assist in the provision of affordable housing in the local area. This will respond to demand for this type of social infrastructure and promote community connectedness but helping ensure eligible residents can live near where the work and socialise.
Objective 7: Communities are healthy, resilient and socially connected	
Objective 10: Greater housing supply	The planning proposal will generate significant revenue for use on affordable dwelling construction, likely through Community Housing Providers (CHPs). According to SGS, this may result in up to 607 dwellings being funded by 2041, adding to local supply.
Objective 11: Housing is more diverse and affordable	Furthermore, as rent for dwellings will be capped at 30% of the tenant's gross income, the broad based AHCS will directly contribute to housing being more affordable.

2. Draft Sydney Plan

The *Draft Sydney Plan* is being publicly exhibited between 10 December 2025 and 27 February 2026, and accordingly is a matter for consideration in the assessment of this planning proposal.

This proposal directly aligns with the 'Housed' priority of the plan, which details the need to accelerate the supply of affordable housing where existing subsidised housing is failing to keep up with demand. As discussed previously, the proposed AHCS could fund up to 607 additional dwellings in the local area. This would add to local affordable housing stock and provide more options for very low, low and moderate income households.

This plan also signals the DPHI's intention for every Council to have an affordable housing contribution scheme in place by 2027. This planning proposal also provides compliance with this requirement.

3. Eastern City District Plan

The *Eastern City District Plan* (District Plan) applies to the Woollahra LGA. **Table 3** highlights relevant priorities of this plan and demonstrates how the planning proposal complies.

Table 3: Compliance with District Plan.

Priorities	Planning proposal response
Planning priority E4 Fostering healthy, creative, culturally rich and socially connected communities	This planning proposal will help address spatial variations in socio-economic advantage across the Eastern City District, as it will help provide a supply of affordable housing and make the area accessible to residents on varying income levels. Increased affordable housing stock will help further diversify our community by providing housing options for very low, low and moderate household incomes. This will particularly benefit key workers, who are responsible for helping foster a healthy and safe place to live.
Planning Priority E5 Providing housing supply, choice and affordability, with access to jobs, services and public transport	As discussed previously, this planning proposal will help fund the construction of affordable housing stock and contribute to the overall supply of rental stock. It will also ensure tenancies are accessible to those on varying income levels. Due the feasibility testing, our community can also be assured that the AHCS will not stifle the supply of additional housing, or the renewal of existing stock.

5.2.2. Is the planning proposal consistent with a council LSPS that has been endorsed by the Planning Secretary or GSC, or another endorsed local strategy or strategic plan?

1. Woollahra Local Strategic Planning Statement

The planning proposal is consistent with the *Woollahra Local Strategic Planning Statement 2020* (Woollahra LSPS 2020), a plan which sets out a 20-year vision for the Woollahra LGA and its centres. Organised under four themes of Infrastructure & Collaboration, Liveability, Productivity and Sustainability, the Woollahra LSPS 2020 aims to:

- Manage future growth, new technology, and changing community needs;
- Conserve our heritage, villages, local character, and environment;
- Ensure resilience and sustainability despite challenges such as climate change;
- Identify areas for further detailed strategic planning; and
- Link our plans to the implementation of the NSW Government's strategic plans.

Planning Priority 4, which addresses diverse housing choices in planned locations, directly speaks to the objectives of this planning proposal. It highlights the need for diverse and affordable housing options to be provided for the community, which aligns with the desired outcomes of this project.

2. Woollahra Local Housing Strategy

The *Woollahra Local Housing Strategy 2021* (Woollahra LHS) establishes the long-term housing vision for our local area. The proposed amendments are consistent with Housing Objective 5, which refers to increasing the supply of affordable rental housing. The strategy considers it to be essential infrastructure required to support Council's vision for diverse housing.

The Woollahra LHS 2021 specifically addresses issues with the current affordable housing regime under the Housing SEPP, which allows for 15 year unit dedications in return for building envelope bonuses. These units are usually rented for 20% below market rent, and in an area with high prices like Woollahra, are unlikely to be considered truly affordable for most renters.

The proposed scheme will cap rents at 30% of gross household income and therefore will provide affordable and secure housing for selected residents. These conditions are consistent with those specified in the Woollahra LHS 2021 and therefore give effect to the aspirations of the strategy.

3. Woollahra Community Strategic Plan

Adopted in 2022, the Woollahra Community Strategic Plan *Woollahra 2032* characterises the community, sets out current and future social, environmental and economic challenges, while additionally guiding potential strategies to address these issues.

The planning proposal is consistent with *Goal 9: Community focused economic development*. As previously discussed, it will facilitate investment in high quality affordable housing stock, which will be available to a wide range of household types and income levels.

5.2.3. Is the planning proposal consistent with any other applicable State and regional studies or strategies?

Yes. The planning proposal is consistent with the NSW Government's *Housing 2041* strategy as:

- It will increase support for those in need, by establishing an AHCS intended to contribute to the supply of affordable housing; and
- It will promote investment in diverse housing products.

5.2.4. Is the planning proposal consistent with applicable State Environmental Planning Policies?

Yes. The planning proposal is consistent with the *Standard Instrument – Principal Local Environmental Plan* and all other applicable State Environmental Planning Policies (refer to **Schedule 1**).

5.2.5. Is the planning proposal consistent with applicable Ministerial Directions (s.9.1 directions)?

Yes. The planning proposal is consistent with applicable section 9.1 directions (refer to **Schedule 2**).

5.3. Section C - Environmental, social and economic impact

5.3.1. *Is there any likelihood that critical habitat or threatened species, populations or ecological communities, or their habitats, will be adversely affected because of the proposal?*

No. This planning proposal will not affect critical habitat areas, threatened species, populations or ecological communities or their habitats.

5.3.2. *Are there any other likely environmental effects as a result of the planning proposal and how are they proposed to be managed?*

No. There are no likely environmental effects that would arise as a result of the planning proposal.

5.3.3. *Has the planning proposal adequately addressed any social and economic effects?*

1. Economic Impacts

As detailed previously, SGS Economics and Planning have rigorously tested the proposed affordable housing rates to ensure they will not undermine the feasibility of new development. In addition to tailoring rates to different wards, the AHCS will phase in the rates over five years to give the market sufficient time to adapt. Further justification is available in the SGS Report that is circulated with this document.

2. Social Impacts

This planning proposal seeks to effect positive social change. As set out previously, contributions from the AHCS may provide up to 607 subsidised dwellings for lower income households. This will give more local residents the opportunity to live in secure, dignified and affordable accommodation that is close to services and employment.

5.3.4. *Is there adequate public infrastructure for the planning proposal?*

This planning proposal relates to a policy change concerning the provision of affordable housing and will not directly affect demand for public infrastructure.

5.4. State and Commonwealth Interests

5.4.1. *What are the views of State and Commonwealth public authorities consulted in accordance with the Gateway determination?*

This section will be completed following consultation with public authorities identified in the Gateway determination. Notwithstanding, Council staff have already undertaken pre-engagement with Homes NSW and the DPHI's Housing Team.

6. Mapping

No mapping changes will occur as a result of this planning proposal.

7. Community consultation

Public exhibition will be undertaken in accordance with the requirements of the EP&A Act and the *Environmental Planning and Assessment Regulation 2021*. It will also have regard to the *Local Environmental Plan Making Guideline* and any conditions of the Gateway determination.

The planning proposal will be exhibited for a minimum of 28 days.

Public notification of the exhibition will comprise:

- Weekly notice in the local newspaper (the Wentworth Courier) for the duration of the exhibition period, when a hardcopy version of that newspaper is being published.
- A notice on Council's website.
- Notice to local community, resident and business groups.

During the exhibition period the following material will be available on Council's website and in the customer service area at Woollahra Council offices:

- The planning proposal, in the form approved by the Gateway determination.
- The Gateway determination.
- Information relied upon by the planning proposal (such as relevant Council reports).
- Woollahra LEP 2014.
- Section 9.1 Directions.

8. Project timeline

If Council is authorised to exercise the functions of the Minister for Planning and Public Spaces under section 3.36 of the EP&A Act 1979, the proposed timeline for completion is as follows:

Plan-making step	Estimated completion
Local Planning Panel consideration	February 2026
Council Committee consideration	March 2026
Council resolution	March 2026
Gateway determination	August 2026
Government agency consultation	September 2026
Public exhibition period	September 2026
Council assessment of planning proposal post exhibition	October 2026
Council decision to make the LEP amendment	November 2026
Council to liaise with Parliamentary Counsel to prepare LEP amendment	December 2026
Forwarding of LEP amendment to Greater Sydney Commission and Department of Planning, Housing and Infrastructure for notification	December 2026
Notification of the approved LEP	January 2027

Schedules

Schedule 1 – Consistency with State Environmental Planning Policies (SEPPs)

State environmental planning policy	Comment on consistency
SEPP (Biodiversity and Conservation) 2021	Applicable and consistent. The planning proposal does not contain a provision which is contrary to the operation of this policy.
SEPP (Exempt and Complying Development Codes) 2008	Applicable and consistent. The planning proposal does not contain a provision which is contrary to the operation of this policy.
SEPP (Housing) 2021	Applicable and consistent. The planning proposal does not contain a provision which is contrary to the operation of this policy. The AHCS contained in this planning proposal will operate under the Housing SEPP, and accordingly is written to be compliant with the NSW Government's <i>Guideline for Development an Affordable Housing Contributions Scheme</i>
SEPP (Industry and Employment) 2021	Applicable and consistent. The planning proposal does not contain a provision which is contrary to the operation of this policy.
SEPP (Planning Systems) 2021	Applicable and consistent. The planning proposal does not contain a provision which is contrary to the operation of this policy.
SEPP (Precincts – Eastern Harbour City) 2021	Applicable. There are currently no identified state significant precincts located in the Woollahra LGA.
SEPP (Precincts – Central River City) 2021	Not applicable.
SEPP (Precincts – Regional) 2021	Not applicable.

SEPP (Precincts – Western Parkland City) 2021	Not applicable.
SEPP (Primary Production) 2021	Not applicable.
SEPP (Resilience and Hazards) 2021	Applicable and consistent. The planning proposal does not contain a provision which is contrary to the operation of this policy.
SEPP (Resources and Energy) 2021	Applicable and consistent. The planning proposal does not contain a provision which is contrary to the operation of this policy.
SEPP (Sustainable Buildings) 2022	Applicable and consistent. The planning proposal does not contain a provision which is contrary to the operation of this policy.
SEPP (Transport and Infrastructure) 2021	Applicable and consistent. The planning proposal does not contain a provision which is contrary to the operation of this policy.

Schedule 2 – Compliance with section 9.1 directions

Planning proposal – Compliance with section 9.1 directions		
Direction		Applicable/comment
1	Planning systems	
1.1	Implementation of Regional Plans	Applicable. The planning proposal is consistent with the objectives of the <i>Greater Sydney Regional Plan: A Metropolis of Three Cities (2018)</i> , the <i>Draft Sydney Plan</i> and the relevant priorities and actions of the <i>Eastern City District Plan (2018)</i> as discussed herein.
1.2	Development of Aboriginal Land Council land	Not applicable. This planning proposal does not affect Aboriginal Land Council Land.
1.3	Approval and referral requirements	Any additional approval or referral requirements can be met by this planning proposal in accordance with this direction.
1.4	Site specific provisions	Applicable and consistent. The planning proposal does not contain any provision which is contrary to this direction.
1.4A	Exclusion of development standards from Variation	Applicable and consistent. The planning proposal does not contain any provision which is contrary to this direction.
1.5 – 1.22	Implementation Plans	Not applicable. These plans do not apply to the Woollahra LGA.
2	Design and place	
	[This Focus Area was blank when the Directions were made]	
3	Biodiversity and conservation	
3.1	Conservation zones	Applicable and consistent. The planning proposal will not affect the conservation standards of any environmentally sensitive land.
3.2	Heritage conservation	Applicable and consistent. The proposal will not affect heritage conservation.
3.3	Sydney drinking water catchments	Not applicable. This direction does not apply to the Woollahra LGA.

Planning proposal – Compliance with section 9.1 directions		
Direction		Applicable/comment
3.4	Application of C2 and C3 zones and environmental overlays in Far North Coast LEPs	Not applicable. This direction does not apply to the Woollahra LGA.
3.5	Recreation vehicle areas	Not applicable. The planning proposal does not apply to sensitive land or land with significant conservation values. It will not allow land to be developed for a recreation vehicle area.
3.6	Strategic Conservation Planning	Not applicable. The planning proposal does not apply to avoided land or land in a strategic conservation area.
3.7	Public Bushland	Not applicable. This planning proposal will not affect any public bushland.
3.8	Willandra Lakes Region	Not applicable. This direction does not apply to the Woollahra LGA.
3.9	Sydney Harbour Foreshores and Waterways Area	Applicable and consistent. The planning proposal does not contain a provision which is contrary to the objective of this direction.
3.10	Water catchment protection	Applicable and consistent. The planning proposal does not contain a provision which is contrary to the objective of this direction.
4	Resilience and hazards	
4.1	Flooding	Applicable and consistent. The planning proposal does not contain a provision which is contrary to the objective of this direction.
4.2	Coastal management	Applicable and consistent. The planning proposal does not contain a provision which is contrary to the objective of this direction.
4.3	Planning for bushfire protection	Applicable and consistent. The planning proposal does not contain a provision which is contrary to the objective of this direction.
4.4	Remediation of contaminated land	Applicable and consistent. The planning proposal does not contain a provision which is contrary to the objective of this direction.

**Planning proposal –
Compliance with section 9.1 directions**

Direction		Applicable/comment
4.5	Acid sulfate soils	Applicable and consistent. The planning proposal does not contain a provision which is contrary to the objective of this direction.
4.6	Mine subsidence and unstable land	Not applicable. The planning proposal does not apply to land within a proclaimed Mine Subsidence District or to land identified as unstable.
5	Transport and infrastructure	
5.1	Integrating land use and transport	Applicable and consistent. The planning proposal does not contain a provision which is contrary to the aims, objectives and principles of: • Improving Transport Choice – Guidelines for planning and development (DUAP 2001), and • The Right Place for Business and Services – Planning Policy (DUAP 2001).
5.2	Reserving land for public purposes	The planning proposal does not amend reservations of land for public purposes. The planning proposal is consistent with the direction.
5.3	Development near regulated airport and defence airfields	Applicable and consistent. The planning proposal does not contain a provision which is contrary to this direction.
5.4	Shooting ranges	Not applicable. The planning proposal does not apply to land adjacent to or adjoining an existing shooting range.
5.5	High pressure dangerous goods pipelines	Not applicable. The planning proposal does not apply to land adjacent to such pipelines.

Planning proposal – Compliance with section 9.1 directions		
Direction		Applicable/comment
6	Housing	
6.1	Residential zones	Applicable and consistent. The planning proposal applies to land in a residential zone. The proposal will assist in broadening the choice of housing types, by helping increase the supply of affordable housing options in the local market.
6.2	Caravan parks and manufactured home estates	Not applicable. The planning proposal will not affect any caravan parks or manufactured housing estates.
7	Industry and employment	
7.1	Employment zones	Applicable and consistent. The planning proposal will apply to land zoned for employment purposes. It does not remove or alter a business zone and does not reduce achievable employment floor space.
7.2	Reduction in non-hosted short-term rental accommodation period	Not applicable. This direction does not apply to the Woollahra LGA.
7.3	Commercial and retail development along the Pacific Highway, North Coast	Not applicable. This direction does not apply to the Woollahra LGA.
8	Resources and energy	
8.1	Mining, petroleum production and extractive industries	Not applicable. This planning proposal will not affect any of the nominated activities.
9	Primary production	
9.1	Rural zones	Not applicable. This planning proposal will not affect any rural zones.
9.2	Rural lands	Not applicable. This planning proposal will not affect any rural lands.
9.3	Oyster aquaculture	Not applicable. This planning proposal will not affect any Priority Oyster Aquaculture Areas.
9.4	Farmland of state and regional significance on the NSW Far North Coast	Not applicable. This direction does not apply to the Woollahra LGA.

Supporting documents (circulated separately)

1. Woollahra Affordable Housing Contributions Scheme – April 2026
2. Evidence Base and Feasibility for Broad Based Affordable Housing Contribution Scheme – April 2026