

Attachment 3– Summary of Submissions – PP2023/00002 Affordable Housing Contributions

No.	Submitter	Matters raised	Officer comment	Recommendation post exhibition change
1	Individual	1. The cash fund must have a limit of how much can be spent on administrative overhead costs such as accounting and management fees and staff expenses.	1. Section 3.3.1 of the Affordable Housing Contribution Scheme (The AHC Scheme) states CN will enter a contractual agreement with a Community Housing Provider (CHP) which will set funding arrangements.	Nil
		2. Monetary contributions should be spent in the area collected to offset the burdens that may exist in the area.	2. Noted - Affordable housing will be delivered in the Newcastle Local Government Area (LGA).	Nil
2	Individual	3. The areas for affordable housing contributions should be much larger. It should include the Newcastle Central Business District (CBD) area including Newcastle, Newcastle West and Wickham.	3. An inclusionary zoning rate applies to the LGA. The AHC Scheme states City of Newcastle (CN) will review it every three years or as needed.	Nil
		4. Contribution rates should also be higher to stimulate a greater volume of affordable housing.	4. Contribution rates follow NSW Government's <i>Guideline for Developing an Affordable Housing Contribution Scheme (2019)</i> ⁱ (<i>guideline</i>). Detailed development feasibility analysis ensures viable rates that do not impact housing supply.	Nil
3	Individual	5. Change the scheme so we end up with more affordable housing.	5. Noted, comment as above.	Nil
4	Individual	6. Japan designs residential complexes with access to public transport, essential services, education, and recreation while Australian residential planning often overlooks this.	6. Noted.	Nil
5	Individual	7. Fletcher residents do not want affordable housing in our area it will downgrade the area with low socioeconomic people.	7. Affordable housing under this scheme is rented at 75% of the mean rental rate.	Nil
6	Individual	8. Appreciate effort and support developers contributing to community but they need to make a profit, this could unintentionally add to financial stress.	8. Australian Housing and Urban Research Institute (AHURI) found mandatory affordable housing works like other planning obligations and is added as a development cost before land acquisition, and 'passed back' as a lower land price ⁱⁱ .	Nil
		9. Scheme should clarify property price impacts and recognise developers' ethical/ regulatory responsibilities. Need an approach where	9. Land cost absorption means developers typically account for contribution requirements when purchasing land, and the market adjusts. The AHC Scheme is designed to phase in rates over two years to allow this adjustment.	

		developers contribute without excessive financial burden on buyers.		
7	Individual	10. This will increase developers' costs, passed on to home buyers. Scheme could negatively impact development feasibility.	10. Refer to officer comments 8 and 9 above.	Nil
8	Individual	11. Apply for grants to subsidise redevelopment of unused floors of commercial buildings in CBD for affordable housing for low-income workers.	11. Outside scope of The AHC Scheme.	Nil
9	Individual	12. Instead of a levy, discount affordable housing development applications (DAs) for one-bedroom units without parking or with a number of shared disability parking spaces for support workers. Council should reduce costs for infill housing development.	12. State Environmental Planning Policy (Housing) 2021 (Housing SEPP) provides flexibility for diverse housing types. Studies show diverse housing types may be more economical to produce due to reduced land and construction cost, but savings are not necessarily passed on to target groups, unless developed by a CHP.	Nil
10	Winten Property Group	13. It is unclear if the Western Corridor rate applies to land already zoned residential i.e. Winten land holdings.	13. The Western Corridor area rates will apply to areas rezoned on or after the date The AHC Scheme commences.	Page 3: Now clarifies for land subject to a PP.
		14. Notes that the examples on page 5 suggest the scheme applies with the creation of each new lot and is inconsistent with how the contribution is expressed to apply in the planning proposal (PP).	14. Inconsistency is noted and has been resolved	Page 5: New example consistent with NDA definition.
		15. 1% of gross floor area (GFA) rate unclear for identified areas where development does not meet relevant floor space ratio (FSR) threshold for a larger contribution rate to apply. This appears to apply to the Western Corridor. while, draft scheme suggests otherwise.	15. Noted, to make it clearer The AHC Scheme now refers to 'relevant threshold' rather than 'relevant FSR threshold'	Page 10: Section 2.1
		16. It is unclear how this applies to DAs in the Western Corridor, it is not justified and initial contribution should cover any development of the land under the current zoning.	16. Western Corridor identified area rate assumes urban release areas develop at an average lot size of 500sqm or 13 dwellings/ha. The 1 percent inclusionary zoning rate is applied in this area only if a development meets the GFA threshold of 540sqm and adds an additional dwelling. This is justified as development exceeds assumed dwelling density.	Nil
		17. Draft scheme suggests rate levied per lot for Western Corridor (p5) not NDA basis.	17. Inconsistency is noted and has been resolved	Page 5: As above this has been clarified.

		18. How the scheme applies to single dwellings is confusing see PP (page 5).	18. Noted, examples updated for clarity. Diverse housing under Housing SEPP not exempt from contributions. A manor house with GFA over 540sqm in Western Corridor would be subject to 1% rate except for registered CHP/ NSW Government.	Page 6: examples refined to provide greater clarity.
		19. Scheme suggests dwellings over 200sqm are levied (p10), and of 2 or more dwellings in Western Corridor over 200sqm (p11).	19. Page 10 specifies the trigger for which the 1% inclusionary zoning rate applies. Only residential development that results in an additional dwelling and ≥540sqm residential GFA on the site will be subject to the 1% contribution. For smaller development (1-10 dwellings) a 200sqm GFA savings applies. Inconsistency on page 11 is noted and has been resolved	Page 11: examples updated to reference 540sqm
		20. Draft Scheme notes s2.4 monetary contribution rate is provided in Table 3. There are two "Table 3" labels pages 12 and 53.	20. Noted, s2.4 now refers to s2.2 table 3 with clarification on equivalent monetary contributions for the Western Corridor.	Page 13: s2.4 updated to include reference to equivalent monetary contributions for the Western Corridor
		21. Formula seems incorrect in s2.4, with intent to calculate CN cost for residential floorspace purchase based on a per square metre rate of internal saleable area, yet the per square metre rate is multiplied by GFA, including external non-saleable area. Should substitute net saleable area for GFA (at 85% of GFA), to ensure rate paid reflects actual acquisition cost to CN. Table 3 is "based on per square metre of internal saleable area" with a GFA rate.	21. The AHC Scheme states, contributions can be used to develop affordable housing, thus GFA is the appropriate metric is is consistent with the NSW Government's guideline for developing an affordable housing contributions scheme.	Nil
		22. The draft scheme/PP require revision /re-exhibit as it is not misleading, scheme is clear.	22. Changes to The AHC Scheme do not constitute a significant change or an increase in impact. No additional exhibition is required	Nil
11	Hunter Community Housing	23. Recognise and support CN's commitment to increasing affordable housing supply.	23. Noted	Nil

		24. CHP challenges are from development costs rises, labour shortages, and financial barriers slowing affordable housing delivery. To mitigate risks and ensure viability, subsidies/incentives are crucial. Grants, provide effective support and could help CN when funding allows.	24. Contributions to be pooled and managed by CN. As sufficient funding is available via scheme, CN will seek proposals from CHP/s for affordable housing The AHC Scheme notes any grant funding for a CHP will be issued through a competitive tender process that seeks to maximise affordable housing outcomes.	
		25. Encourage a broad approach for program that is open to Tier 1, 2 and 3 providers.	25. The AHC Scheme (s3) states CHP engagement to be in accord with CN's Procurement Policy, a competitive expression of interest process. The level of CHP will be considered as part of the expression of interest (EOI).	Nil
		26. HCH has a range of internal community services to support tenants e.g. Catholic Care Social Services.	26. Noted.	Nil
12	Pacific Link Housing (PLH)	27. We support objectives and principles of the draft scheme and PP.	27. Noted	Nil
		28. Allow land and dwelling titles transfer to CHPs, as Central Coast Council did 2024. Allows asset leverage, expand affordable housing, and maximise contributions. Long-term affordability secured (covenants on title /formal agreement) for assets used as intended.	28. The AHC Scheme amended to give CN the option to transfer ownership subject to mutually agreed terms that ensure the ongoing provision of affordable housing in alignment with strategic housing objectives.	Page 17: Section 3.2.1 dedication of dwelling/ land to include the option for CN to transfer land/dwelling to CHP.
		29. Community Housing Industry Association (CHIA) research show CHPs save up to \$60,000 per unit, reducing a Council's financial burden, and benefit from portfolio efficiencies.	29. Noted	Nil
		30. Council should allocate monetary contributions to CHPs via open proposal requests for tender, prioritising those with local presence and delivery capacity. Sub-market housing relies on subsidies, and higher funding allows CHPs to deliver more affordable rentals. Council grants can boost affordable housing in CHP projects.	30. CN to pool/manage contributions (s3.2.2) as funds sufficient through The AHC Scheme, CN will seek proposals from CHP(s) for the development of affordable housing within the Newcastle LGA. In addition, The AHC Scheme notes any grant funding for a CHP will be issued through a competitive tender process that seeks to maximise affordable housing outcomes.	Nil
		31. Engaging multiple CHPs enhances service diversity, ensuring different tenant needs are met through varied expertise.	31. The AHC Scheme is not intended to hold CN to only engaging one CHP. Multiple CHPs may be engaged through the EOI process.	Page 18: Section 3.3.1 update 'a CHP' to 'CHP/s'

		32. Council-dedicated land should be made available to CHPs, leveraging their tax-free status, favourable lending, and grants to reduce costs and increase housing supply. This mitigates CHPs' challenges in competing for land against commercial developers.	32. As noted above, The AHC Scheme amended to give CN the option to transfer ownership subject to mutually agreed terms that ensure the ongoing provision of affordable housing in alignment with strategic housing objectives.	Page 17: Section 3.2.1 dedication of dwelling/land to include the option for CN to transfer land/dwelling to CHP.
13	Individual	33. Safety concerns for affordable housing near Crown Street Tram Stop.	33. Outside scope of The AHC Scheme - this submission seems to relate to the recently exhibited EOI for the Rail Bridge Row	Nil
14	Urban Development Institute of Australia (UDIA)	34. Supports scheme intent to increase housing supply particularly for affordable housing.	34. Noted	Nil
		35. Scheme adds another tax on housing to other government levies for dwellings adding upward pressure on housing costs. The charges impact housing feasibility and ability to reach housing target of 11,000 not good timing.	35. CN conducted detailed testing of proposed rates to ensure viability and feasibility and overall housing supply. Feasibility analysis was reviewed by the Department of Planning Housing and Infrastructure's (DPHI) Housing Policy team.	Nil
		36. Levies/taxes require careful consideration to ensure dwelling supply. The draft scheme will impact feasibility and may compromise the dwelling supply. UDIA requests CN provide evidence of the analysis.	36. Feasibility analysis was exhibited with The draft AHC Scheme. Rates ensure reasonable return on investment. The Internal Rate of Return (IRR) approach used and hurdle rate based on industry consultation. Analysis hurdle rates are: - 18% IRR for urban infill development - 12% IRR for subdivisions reflecting the market demand and lower construction costs and settlement risks.	Nil
		37. Request explanation exempt development resulting in residential GFA less than 540sqm. May incentivise detached housing in infill areas when density is needed for housing targets.	37. CN's feasibility testing found contributions would be marginal relative to the profit gained by increasing dwelling numbers. The exemption aims to balance viability and housing supply.	Nil
		38. Understands threshold was introduced due to development being unfeasible, highlighting feasibility risks for all developments under the scheme. Therefore, UDIA suggest broader application with lower rates for all new housing.	38. The feasibility testing show a 1 % contribution to have limited impact on viability. On average, for developments of 3 dwellings (360m ² of GFA), the 1 % contribution reduced the return on investment by 0.38 %. The trigger avoids cost burden on small scale developers with tighter margins.	Nil
		39. PP application unclear for Western Corridor. UDIA requests clarity for this area. The draft scheme and PP should be re-exhibited once inconsistency resolved.	39. Noted, PP defined as land subject to the making or amendment of the Newcastle Local Environmental Plan 2012 (NLEP 2012) finalised on or after The AHC Scheme commencement.	Page 3: definition included.

	40. The draft scheme requires affordable housing to be transferred to CN. UDIA recommends flexibility to allow innovative ownership and management models, for the scheme stay current offering the sector choice/competition.	40. The AHC Scheme is one mechanism for affordable housing. Achieving Council's target of 15% affordable/social housing requires collaboration and innovation from the industry. CN welcomes UDIA ideas on innovative development models that help address the shortfall in affordable housing.	Nil
	41. Encourages CN to consider engaging more than one CHP for affordable housing portfolio. Could use a small panel of CHPs with a good record for a diversity of providers.	41. The AHC Scheme is not intended to hold CN to one CHP. Multiple CHPs may be engaged through the EOI process.	Page 18: s 3.3.1 update 'a CHP' to 'CHP/s'
	42. Land dedicated to Council should be available to CHPs for affordable housing. CHPs with tax-free status specialise in long-term affordable housing, favourable lending/grant opportunities reduce costs; increasing housing outcomes.	42. As noted above, The AHC Scheme amended to give CN the option to transfer ownership subject to mutually agreed terms that ensure the ongoing provision of affordable housing in alignment with strategic housing objectives.	Page 17: s3.2.1 dedication of dwelling/ land to include option for transfer land/dwelling to CHP.
	43. Cannot see evidence in exhibited material that theoretical analysis captures all commercial risks. There is a real risk of the scheme resulting in reduced housing delivery.	43. The AHC Scheme was developed in accordance with the NSW Government's guideline.	Nil
	44. The proposed methodology for the rates is difficult to understand. Recommends clearer explanations prior to implementation.	44. As the rate varies for each suburb, CN will investigate developing an affordable housing contributions calculator for public use on CNs website.	Nil
	45. Provide clarity for dedication, payment or a combination of developers to ensure pathways are easy to execute at the development stage without negotiation. Also, consider other innovative approaches that may emerge as the market evolves, and the pathway to consider alternative solutions should also be clear.	45. The AHC Scheme identifies the various ways contributions may be made, i.e., through the dedication of dwellings, dedication of land, a monetary combination. Section 3 of The AHC Scheme outlines how The AHC Scheme will be administered. Contributions will be imposed as a condition of consent. Dedication of land or dwelling is at CNs discretion to ensure suitability.	Nil
	46. UDIA suggest a deferment option in the case of multi-stage developments without the requirement for an equivalent bank guarantee.	46. Contributions are payable prior to Construction Certificate (dwelling) or Subdivision Works Certificate (land). If staged development contributions would be payable at the issue of the relevant certificate for each stage.	Nil
	47. Clarify why CN affordable housing contribution is in addition to affordable housing under the Housing SEPP for a proposed development. UDIA suggests this should count towards the contribution under the CN Scheme.	47. Noted, however affordable housing provided as part of a bonus scheme under the Housing SEPP is only required for a period of 15 years. Developers who take advantage of density and height bonuses under the Infill Housing SEPP benefit from capital gains over that period	Page 6: Further clarification given in s1.5 ' Examples of how the The AHC Scheme will apply'

		48. There is lack of governance controls to implement the scheme. UDIA requests controls to ensure monetary contributions collected will be used (allocated to a specific project or opened for CHP tender within 2 years) for the intended purpose.	48. CN will pool and manage contributions. As sufficient funding is available, CN will seek proposals from CHP/s for affordable housing development. The AHC Scheme states, any interest received from the management of funds must be used for the purpose of affordable housing.	Nil
		49. Improve governance, transparency and accountability through additional reporting measures for the scheme, and any future sale of affordable housing owned by CN	49. CN will enter an agreement with nominated CHP/s that sets out the financial reporting and performance requirements. Any funds gained from the sale of land or dwelling must be reinvested in affordable housing.	Nil
		50. Governance framework for any future reviews of the scheme. UDIA recommends third-party review; and DPHI endorsement of future rate changes.	50. CN to review The AHC Scheme every three years or as needed, at its discretion. New areas require a PP and indexing as per NSW Government's guidelines.6.2).	Nil
		51. Clarify scheme does not apply to the creation of development residue lots and/or super-lots.	51. Noted, further clarification made. For residential subdivisions in urban release areas, contributions are a percentage of the NDA. If staged, the contributions will be calculated separately for each stage.	Page 6: Clarifies staged development in 'examples of how The AHC Scheme will apply'
		52. Clarify legal agreement regarding dedication and transfer of land/dwellings cannot be unreasonably withheld by CN and its execution will be administered efficiently.	52. Legal agreements for the dedication of land or dwelling is at the discretion of CN.	Nil
		53. Include a grandfather clause to exempt any DA lodged at the time of scheme commencement.	53. Noted, development applications lodged prior to the gazettal of The AHC Scheme will be exempt.	Page 5: update to table 1 development that is exempt from The AHC Scheme to include DAs lodged prior to the gazettal of The AHC Scheme.
		54. Phase in scheme over 5 (not 2) years as: - Year 1: 100% discount contribution - Year 2: 80% discount to contribution - Year 3: 60% discount to contribution - Year 4: 40% discount to contribution - Year 5: 20% discount to contribution	54. The phase-in period for the 1% contribution is extended. A 50% discount applies on gazettal until June 2026, followed by a 25% discount from July 2026. The full rate takes effect in July 2027.	Page 10: discount rate table updated to extend the phase-in period.
15	CHIA NSW	55. CHIA NSW commends and strongly supports Council's proposal for scheme across the LGA	55. Noted	Nil

	56. CHIA NSW supports this modest broad-based rate across the LGA, with higher rates in areas benefiting from development uplift as it recognises affordable rental housing need is across all communities not just upzoned areas.	56. Noted	Nil
	57. Rates proposed are based on current market conditions have potential for increases as conditions improve. Support a market review every three years including a clear rate trajectory in draft scheme and LEP provisions for certainty and to align with future land price expectations (Sydney LEP 2012 Division 3).	57. The AHC Scheme provides for quarterly indexation. The rates will be adjusted with reference to movement in the median price for strata dwellings in Newcastle. The median strata price is published quarterly in the NSW Government's Rent and Sales Report. This will ensure the contributions reflect the costs associated with the provision of affordable housing over time.	Nil
	58. Evidence shows contributions do not impede development, as costs are factored into land prices rather than housing prices. A higher target is feasible with sufficient market notice.	58. Noted	Nil
	59. CHIA NSW supports options for affordable housing be met through in-kind contributions, dedication of land or monetary contributions.	59. Noted	Nil
	60. CHIA NSW engaging a CHP early for determining proposed land dedications suitability and recommend consideration of environmental constraints, potential yield, essential infrastructure to ensure affordable housing target delivery and a good level of amenity for future occupants.	60. CN is proposing the inclusion of 'at the discretion of Council' to clauses relating to land and dwelling dedications to ensure suitability. In addition, where dedicated land/dwelling is no longer considered suitable, CN has the option to sell the asset and use the proceeds to deliver affordable housing.	Page 17: s3.2.1 dedication of dwelling/land to include the option for CN to transfer land/dwelling to CHP.
	61. Early CHP engagement is important for mixed-tenure developments to address tenant needs, ensure reasonable operational costs, and plan management/maintenance arrangements.	61. The AHC Scheme ensures proposed dedication suitability and operational matters including management and maintenance.	Nil
	62. Strongly recommends scheme amended to enable the transfer of affordable housing contributions and properties to CN nominated CHP/s to reduce CN costs, increase affordable housing supply, and leverage CHPs' expertise and financial benefits, including lower-cost finance and operational efficiencies.	62. As noted above, The AHC Scheme is amended to give CN the option to transfer ownership subject to mutually agreed terms that ensure the ongoing provision of affordable housing in alignment with strategic housing objectives.	Page 17: Section 3.2.1 dedication of dwelling/land to include the option for CN to transfer land/dwelling to CHP.

		63. CHIA NSW suggests appointing preferred CHP partner/s for at least 5 years over a site-by-site basis for more certainty for funding availability, risk management, forward planning, development and supplementary funding.	63. It is recommended The AHC Scheme clarify that proposals will be sought from nominated CHPs when allocating cash funds for affordable housing development. This approach is consistent with the NSW Government's Guideline.	Page 18: Updated s3.2.2 Administering cash funds to specify proposals will be sought from Nominated CHPs
		64. It is recommended that eligibility is limited to not-for-profit registered CHPs to leverage maximum potential from contributions.	64. It is recommended the scheme be amended to clarify that CHP refers to not-for-profit registered CHPs	Page 1: CHP definition included to clarify.
		65. Draft scheme (s 1.4) excludes employment generating development from contributions. Is all floorspace in a mixed-use scheme to be exempt where there is employment generating component, or just the non-residential floorspace. CHIA NSW recommends contributions for all mixed-use developments, as employment-generating development generates affordable housing need.	65. CN recognises a nexus between employment generating development and affordable housing needs. As commercial/ retail space viability is currently lower than residential, the cost impost of an affordable housing contribution could undermine feasibility. CN currently encourages jobs growth, so exempts non-residential development though this can be reassessed in future reviews of The AHC Scheme.	Nil
		66. While supporting the exemption of social and affordable housing and applying requirements to the full GFA of in-fill development benefiting from density bonuses under the Housing SEPP, CHIA suggest clarifying s1.5 applies only when housing is retained in perpetuity.	66. Clarity in s1.5 on how The AHC Scheme applies when development utilises infill affordable housing provisions. The contribution is only to be levied for total GFA minus the 15-year affordable housing component. In addition, Table 1 <i>Development that is exempt from the scheme</i> states social and affordable housing development is exempt where it dedicates social or affordable housing GFA over The AHC Scheme's requirement in perpetuity	Page 5: s1.5 'example of how the scheme works' updated for clarity.
		67. CHIA NSW strongly recommends finalisation of PP and scheme before or alongside the rezoning of the identified precincts.	67. Noted	Nil
16	Individual	68. Opposes low-cost housing in Newcastle's East End, consider limiting affordable housing clusters to fewer than five families, spaced kilometres apart, to avoid concentrated issues.	68. The concerns raised are not relevant to The AHC Scheme. There is no evidence to suggest that affordable housing contributes to increased anti-social behaviour.	Nil
17	Individual	69. Affordable housing should not be in areas of million-dollar apartments it is unfair to residents who have worked hard for their homes.	69. The concerns raised are not relevant to The AHC Scheme.	Nil
		70. Issues of crime, assaults, and theft in the Newcastle CBD, which is already considered unsafe, and it would worsen these issues.	70. There is no evidence to suggest that affordable housing contributes to increased crime.	Nil

18	Individual	71. Tourists ask where Hunter Street is, please do not build affordable housing there, it would degrade its appearance.	71. The concerns raised are not relevant to The AHC Scheme.	Nil
19	Homes NSW	72. Homes NSW strongly supports the scheme.	72. Noted	Nil
		73. Homes NSW can assist councils with affordable housing delivery such as: - End to end delivery processes including tendering to CHPs, working out leveraging targets, contracts, and reporting. - Assist Council to use NSW Government CHP commissioning infrastructure - delivery agreements that set out roles, responsibilities and expectations - operational guidance on how to manage affordable housing - contract management, performance monitoring, CHP tender process and ability to register an interest on title where councils gift land to CHPs	73. Noted	
		74. Council plans to retain ownership of affordable housing through the scheme and contract its management to a CHP. Transferring ownership to a not-for-profit CHP gratis or at a discount, could leverage affordable housing by: - leverage CHPs to borrow money and provide additional affordable housing - allow councils to avoid further financial liabilities for the properties. - can result in a cost saving of up to \$60,000 / dwelling for councils by accessing additional financing sources (Local Council Partnerships for Provision of Affordable Housing report). - enable CHPs able to leverage ownership to deliver 21-27% more housing over the long term.	74. As noted above, it is recommended The AHC Scheme be amended to give CN the option to transfer ownership subject to mutually agreed terms that ensure the ongoing provision of affordable housing in alignment with strategic housing objectives.	
		75. Leasing land to CHPs is not viable always. A recent council project received no responses to a leasehold offer due to limited financial incentives and mortgage security concerns. The	75. Noted	

		council later revised its approach, transferring land ownership to CHPs with specific conditions and additional funding to ensure feasibility		
		76. Resources and examples on: Affordable rental housing resources Family & Community Services and Examples of affordable housing development projects - Develop affordable rental housing Family & Community Services	76. Noted	Page 17: Section 3.2.1 dedication of dwelling/land to include the option for CN to transfer land/dwelling to CHP.
		77. Exclude manor home from Residential flat building (RFB) definition to fix inconsistency between the Manor house and Residential flat building RFB definitions, and to align the definition of residential flat building RFB with the definition in the Standard Instrument – Principal Local Environmental Plan LEP.	77. 85. Noted, inconsistency is rectified.	Page 3: definition updated for consistency
		78. Under "Development of residential accommodation that is used to provide social or affordable housing " include exemption in Table 1 'Development by a relevant authority, as defined in Housing SEPP, is exempt from the scheme. Note: relevant authority means the following—(a) the Aboriginal Housing Office (AHO), (b) the Land and Housing Corporation	78. Definition of relevant authority consistent with Housing SEPP now included. Table 1 explicitly exempts development by relevant authorities and registered CHPs.	Page 3: definition included. Page 5: Table 1: Development that is exempt from the scheme updated to exempt development by a relevant authority and registered CHP
		79. Amend the note under Table 1 on page 5 to 'Diverse housing types permitted under Chapter 3 of the Housing SEPP are not exempt from contributions under the scheme, except for diverse housing provided by a relevant authority as defined in the Housing SEPP. Please also include an exemption for community housing providers.' This will ensure the provision of secondary dwellings, group homes, seniors housing, temporary housing etc by relevant authorities such as Homes NSW (Land and Housing Corporation LAHC) and also community housing providers are not subject to payment of contributions	79. Clarification required under table 1 to explicitly exempt diverse housing types under the Housing SEPP developed by relevant authorities and registered CHPs.	Page 5: clarification provided under table 1
		80. Amend first bullet point on page 6 to "Housing SEPP in-fill affordable housing provisions: when	80. Development by a relevant authority, as defined in the State Environmental Planning Policy (Housing) 2021, and	Page 5: Table 1: Development that is

		developments utilise the in-fill affordable housing provisions (e.g. a 30% increase in height and floor space ratio (FSR) in return for 15% affordable housing for 15 years), the affordable housing component would be levied on the full GFA of the development. This requirement does not apply to development carried out by or on behalf of the Aboriginal Housing Office, the Land and Housing Corporation AHO and LAHC. Please ensure CHP are treated similarly.' This is to clarify that development by Homes NSW is by definition affordable housing under the Housing SEPP (s15B(2)) and not subject to contributions. Homes NSW can use the infill affordable housing 'bonus' provisions in Division 1 of the Housing SEPP. Sections 17 & 18 provide bonuses for relevant authorities, such as Homes NSW (LAHC) for sites where the permissible maximum FSR is 2:1 or less. Homes NSW could use the section 16 bonus provisions where the land has a permissible FSR > 2:1. The Housing SEPP section 21 requirement for 15 years' affordable housing do not apply to Homes NSW (LAHC). NB CHPs own/ manage most NSW affordable housing and as primary developers and managers of it should be treated as social and affordable housing developers under scheme	development by a not-for-profit registered CHP for the purpose of affordable housing is exempt from The AHC Scheme.	exempt from the scheme updated to exempt development by a relevant authority and registered CHP
		81. Section 2.1: The contribution rates would not apply to development by Homes NSW, exemptions in Table 1. CHPs should also be exempted.	81. Noted, development by relevant authorities and not-for-profit registered CHPs for the purpose of affordable housing is exempt from The AHC Scheme. Further clarification provided in table 1 of The AHC Scheme.	Nil
		82. 85. Section 2.2, table 3: The contribution rates would not apply to development by Homes NSW, as per exemptions in Table 1. CHPs should also be exempted.	82. 85. Noted, development by relevant authorities and not-for-profit registered CHPs for the purpose of affordable housing is exempt from The AHC Scheme. Further clarification provided in table 1 of The AHC Scheme.	Nil
		83. Figure A1 Homes NSW has about 51 dwellings in Broadmeadow area (see D24/1813443) but could increase its land holdings pending of the Broadmeadow Place Strategy finalisation. Homes NSW submission on the place strategy	83. Noted	Nil

		of 24/07/2024 (D24/1997274) asked for Homes NSW to be considered as a lead or support agency in implementing Strategic Direction 2, to deliver diverse and affordable housing.		
		84. Figure A2: Homes NSW does not have any properties in Stockton North. However, there is a large former disability accommodation facility owned by Department of Communities and Justice nearby to be redeveloped in the future with a component of affordable housing delivered on site.	84. Noted	Nil
		85. Figure A3: Homes NSW properties in the 'Western corridor' are mainly in Maryland.	85. Noted	Nil
20	Property Council of Australia	86. The Property Council broadly supports the objectives of the draft Scheme to provide affordable housing supply to meet community needs and support a sustainable city.	86. Noted	Nil
		87. Support options for developers to make a cash contribution or dedicate stock or land to meet the draft scheme's requirements.	87. Noted	Nil
		88. We note that mandatory affordable housing contribution rates have only been specified for PPs in the Western Corridor. When considering future rezonings for other areas in the Newcastle LGA, any FSR and building height uplift needs to be sufficient to offset the mandatory affordable housing contribution rate that will apply and have regard to a feasibility assessment to inform the proposed rate.	88. Higher rates were set for all identified areas based on feasibility analysis. Rates in the Western Corridor are based on NDA not GFA as contributions in this area are levied at subdivision stage. Identified areas are subject to higher rates only with additional PPs. Other areas not in an identified area, subject to a PP that allows residential development and is considered by CN as likely to result in a significant value uplift must: - Include a proposal to amend The AHC Scheme and NLEP 2012 to include the PP site or part of it to specify an affordable housing contribution rate supported by feasibility testing; or - Be supported by a planning agreement with affordable housing provisions consistent with The AHC Scheme.	Nil

	89. The phased introduction of contribution rates acknowledges current market challenges and allows developers time to adapt. However, concerns remain that the new charge, combined with other contributions, could discourage development or pass costs onto buyers, which may prove to be counter-productive of the draft schemes' intention.	89. As noted, land cost absorption means developers typically account for contribution requirements when purchasing the land, thus the market will adjust over time. The AHC Scheme is designed to phase in the contributions rate over a two year period to allow the market to adjust. The intent of The AHC Scheme is to increase the supply of affordable housing. The Affordable Housing Needs Assessment which informed the development of The AHC Scheme identified more than 70% of the total number of households projected to be in need of affordable housing by 2036 are unlikely to have their needs met through the private market without intervention.	Nil
	90. Setting timeframes for spending contributions would provide certainty that funds will be used promptly to boost affordable housing supply.	90. Contributions to be pooled and managed by CN. As sufficient funding becomes available through The AHC Scheme, CN will seek proposals from CHP/(s) for the development of affordable housing within the Newcastle LGA. It is unclear at this stage how long it will take to build the cash reserve for development, so placing a time limit on when the funds must be spent is not recommended. However, as The AHC Scheme states, any interest received from the management of funds must be used for the purpose of affordable housing.	Nil
	91. More detail is required about how the affordable housing stock generated by this scheme will be managed and maintained over the longer term, and where responsibilities will fall.	91. Affordable housing stock will be managed and maintained by CN's nominated CHP/s as outlined in section 3 and in accordance with the DPHI's requirements. CN will enter a Community Housing Assistance Agreement for the affordable rental housing dwellings with the successful CHP/s. The agreement will set out: - The rights and responsibilities of both parties - Procedures for tenant management, property management, rent setting, tenant selection, dwelling allocation - Management fees, financial reporting requirements, performance review, dispute resolution and other such detailed contractual matters.	Nil
	92. High strata levies may impact feasibility of dedicated dwellings as affordable housing in higher-value areas like the CBD. Further consultation with CHPs could help address these feasibility challenges, including the CN's capacity to sell unsuitable dwellings and reinvest proceeds into affordable housing.	92. The AHC Scheme states, CN or its nominated CHP will consider the suitability of a proposed dedication having regard for operational considerations such as management and maintenance costs. Where dedicated dwelling/(s) is not considered suitable, CN has the option to sell the dwelling and use the proceeds to develop affordable housing in partnership with a nominated CHP.	Nil

		93. It is not appropriate to impose an additional affordable housing contribution where a development provide affordable housing using provisions of the Housing SEPP. Requiring a separate contribution effectively penalises developments, resulting in an inequitable and duplicative financial burden. Therefore, we recommend developments meeting the Housing SEPP's requirements be exempt from additional affordable housing contributions.	93. Noted, however affordable housing provided as part of a bonus scheme under the Housing SEPP is only required for a period of 15 years. Developers who take advantage of density and height bonuses under the Infill Housing SEPP benefit from capital gains over that period and therefore it is not considered a contribution.	Page 5: Section 1.5 under 'example of how the scheme works' updates the example relating to in-fill affordable housing provisions to specify the contributions apply to the total GFA minus the 15-year affordable housing component.
		94. There are inconsistencies in the PP and draft scheme which could create uncertainty about applying the scheme in therefore Western Corridor. Page 5 of the draft scheme suggests new residential lots in the Western Corridor will be subject to the affordable housing contribution. If the higher "Western Corridor" rate applies to existing zoned land without guaranteed value uplift, we do not support it. It should be clarified in the draft scheme that land in the Western Corridor already zoned for residential purposes at the time of adoption is exempt from the scheme, consistent with the planning PP. This aligns with the planning PP and ensures developers who have reached the DA stage before adoption are not subject to stricter requirements affecting project viability.	94. Inconsistency is noted and resolved. In addition, further clarification is provided around existing zoned land in the Western Corridor.	Page 3: definition provided in reference to PP as land subject to the making or amendment of the NLEP 2012 finalised on or after the commencement of this scheme. As above clarity
		95. Supports range of housing typologies to meet the future population needs and commends Council in attempting to alleviate the affordable housing pressures faced by the local population	95. Noted	Nil
21	Eden Estates	96. A portion of the Eden Estates site is included within the area noted as 'Western Corridor'. Supports the provision of a range of housing typologies to meet the needs of the future population of Newcastle and commends Council in attempting to alleviate the affordable	96. Noted	Nil

		housing pressures faced by the local population.		
		97. Understand scheme proposes “Contribution rate” or “Equivalent monetary contribution rate” is intended to apply to a development. Noted that the CN portion of the Eden Estates site is included within the area noted as ‘Western Corridor’	97. Noted	Nil
		98. Understand that the scheme proposes that only one of either the “Contribution rate” OR the “Equivalent monetary contribution rate” is intended to apply to a development.	98. Noted	Nil
		99. Eden Estates suggests incorporating flexible delivery and ownership structures, onsite and offsite, as in Housing Affordability Plan (2022). The proposed scheme's requirement for the dedication of 5% of all lots/dwellings free of cost to CN is not supported. Free transfer to CN limits consumer choice and competition. Instead, align the provision of affordable housing to 2% of all dwellings is proposed to be consistent with NSW Government's Transport Oriented Development (TOD) program, ensuring affordable housing remains affordable and is managed by a CHP without mandating ownership.	99. This approach is not supported as it does not guarantee the provision of affordable housing in perpetuity. Contribution rates in the Western Corridor are supported by detailed feasibility analysis.	Nil
		100. Supports the scheme's simple and clear payment mechanism for a monetary contribution in lieu of onsite affordable housing, as per other government contribution schemes. The application of a contribution on an NDA basis is considered fair and reasonable for future development on the Eden Estates site.	100. Noted	Nil
		101. Eden Estates acknowledges the societal importance of affordable housing and supports the monetary contribution. The proposed increases to the rate on an 'as needs' basis by CN are not supported, and it is suggested that the rate be linked solely to the consumer price index and adjusted annually.	101. Monitoring and review of The AHC Scheme is a requirement of the NSW Government to ensure The AHC Scheme reflects any changes in the market conditions.	Nil

		102. Requests a clear avenue for voluntary planning agreements with CN to deliver affordable housing as outlined in Eden Estates' Housing Affordability Plan (2022).	102. The purpose of The AHC Scheme is to provide certainty and transparency about how affordable rental housing contributions will be determined. Any offer made as part of a planning agreement above what is required in The AHC Scheme will be considered by CN through the PP process.	Nil
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ⁱ Department of Planning and Environment, (2019) Guideline for Developing an Affordable Housing Contribution Scheme, <https://www.planning.nsw.gov.au/policy-and-legislation/housing/housing-sepp>

ⁱⁱ Gurran, N., Gilbert, C., Gibb, K., van den Nouwelant, R., James, A. and Phibbs, P. (2018) Supporting affordable housing supply: inclusionary planning in new and renewing communities, AHURI Final Report No. 297, Australian Housing and Urban Research Institute Limited, Melbourne, <http://www.ahuri.edu.au/research/final-reports/297>, doi: 10.18408/ahuri-7313201.