

| Question   | Government Response  |
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| <p>1. Has there been a major review of the Teacher Housing Authority, or its establishing Act, since its inception in 1975?</p>  | <p>The NSW Government periodically reviews the operations and governance of the Teacher Housing Authority (THA) to ensure they remain appropriate and cost effective.</p> <p>Homes NSW's Key Worker Housing Program is currently reviewing a whole of government approach to key worker housing, which includes Teacher Housing and THA.</p>   |
| <p>2. What are the risks and/or benefits of updating the affordable housing guidelines to ensure that essential workers are eligible for housing delivered via community housing providers?</p>  | <p>Under the current Affordable Housing Ministerial Guidelines (the Guidelines) essential workers who earn less than 120% of median household income may be eligible for affordable housing.</p> <p>Amendment to the Guidelines to expand eligibility to include essential workers on incomes above the current limits will likely reduce access to affordable housing for non essential worker households on low and moderate incomes, who are likely to have fewer options for access to appropriate housing.</p>  |
| <p>3. At the hearing, you noted that the Department of Planning, Housing and Infrastructure is updating its guidelines for implementing affordable housing contribution schemes (Transcript, p 6).</p> <p>a. Can you please provide the Committee with a draft or a copy of these guidelines, and advise when these may be released?</p> <p>b. Can you elaborate on what changes are being made to these guidelines?</p> <p>c. Have you collaborated with councils when updating these guidelines?</p> | <p>The Department is currently preparing a new draft guideline for developing an affordable housing contribution scheme (AHCS). The Department cannot release details of changes to the guideline as these are Cabinet-in-confidence.</p> <p><u>Existing guideline</u><br/>The Department issued a Guideline for developing an affordable housing contribution scheme in 2019, following changes to the Housing SEPP that set out the need for affordable housing across NSW. The Guideline outlines the process for developing an affordable housing contribution scheme in line with the development of a council's strategic work, including its Local Strategic Planning Statement and Local Housing Strategy.</p> <p>The Guideline specified that an affordable housing contribution scheme should only apply to a precinct subject to a rezoning or amendments to other Local Environmental Plan (LEP) controls, and that the affordable housing contribution rate must be viable.</p> <p><u>Draft revised Guideline</u><br/>The Department has listened to the issues raised by councils regarding the implementation of an AHCS in their LGAs, and is considering feedback on how the Guideline could be updated to improve this process.</p> <p>The Department has collaborated with councils regarding the issues they face with implementing AHCS, which include:</p> <ul style="list-style-type: none"> <li>• councils have advised the Department that legislative complexity, costs, technical difficulty and limited evidence of viability are preventing them from developing AHCSs.</li> <li>• Further, councils have advised that many proposed AHCSs have been stopped because they were not supported by elected councillors.</li> <li>• Councils have also raised that limiting contribution requirements to precincts that are to be rezoned is a barrier to introduction of a scheme. For instance, in some council areas, existing higher density urban forms and existing development potential under current controls limits opportunities for unlocking additional density.</li> <li>• Councils have also noted that relatively lower underlying land values in some parts of NSW can be a significant barrier to achieving a viable</li> </ul> |

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|   | <p>contribution rate, which suggests the precinct approach may not be appropriate for all areas.</p> <p>The Department is currently working on proposed updates to the Guideline to address the issues that councils have raised and make sure that the implementation of an AHCS is more streamlined, and simpler for councils to adopt.</p>  |
| <p>4. At the hearing, you noted that you had supported Waverley Council and the City of Sydney Council to implement low, broad-based charges for their affordable housing contribution schemes (Transcript, p 6).</p> <p>a. Can you elaborate on the support you provided Waverley and the City of Sydney to implement these schemes?</p> <p>b. Do the affordable housing contribution guidelines need to be updated to ensure that all councils can implement a similar low, broad-based charge?</p> | <p>While area-wide low rate schemes are not consistent with the recommended approach in the current Guideline, the Department recognises and strongly encourages the provision of affordable housing and has supported such schemes in the past.</p> <p>The Government supported Waverley Council's proposal and finalised the LEP amendments to create a scheme to apply across residential zones in the Waverley LGA. The Department was satisfied that the scheme and contributions rates satisfied the objectives of the Guideline and provided sufficient supporting analysis to demonstrate the feasibility of the contributions rates.</p> <p>This analysis found the proposal:</p> <ul style="list-style-type: none"> <li>• demonstrated an LGA-wide AHCS will not impact on development feasibility and overall housing supply</li> <li>• provides a rationale for deviating from the Guidelines, where there are other appropriate options</li> <li>• explains how an LGA-wide AHCS will interact with areas or sites where existing affordable housing contributions apply, or where higher rates could apply in conjunction with a future rezoning.</li> </ul> <p>The City of Sydney has had affordable housing requirements since the mid-1990s. The City has established an affordable housing program that includes precinct contribution rates for Green Square and Ultimo-Pyrmont, and a lower rate applying to all other development applications in a broader area across the LGA. In addition, site-specific contribution rates are negotiated during the planning proposal process. The area-wide low rate contribution scheme was considered by the Department prior to the introduction of the current Guideline. The City of Sydney is currently updating its scheme and the Department is working closely with Council on this process.</p> |
| <p>5. At the hearing, it was noted that the Government might struggle to compile a comprehensive database of affordable housing, partially due to gaps in data. Aside from these data gaps, what would prevent the NSW Government from administering a</p>  | <p>There is currently no comprehensive database of affordable housing in NSW. Homes NSW is undertaking a project to enhance reporting, including the affordable housing categories captured in the Community Housing Regulatory Information System (CHRIS).</p> <p>In addition to the discussed data gaps the following barriers exist:</p> <ul style="list-style-type: none"> <li>• Proposed amendment of the Community Housing Providers (Adoption of National Law) Act 2012, to require reporting of data on affordable housing by providers, needs to be passed by the NSW Parliament.</li> <li>• Development of the CHRIS system to capture the varying products and information sets for affordable housing generated from different sources needs to be completed.</li> </ul>   |

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| <p>comprehensive database for affordable and essential worker housing across the state? (Transcript, p12).</p>                       | <ul style="list-style-type: none"> <li>• There is no current requirement to collect data and report on essential worker housing other than owned or managed by government.</li> <li>• Essential worker housing data is often highly sensitive (for example location of police housing) so reporting would need to be highly confidential or otherwise limited to avoid misuse of data.</li> </ul>   |
| <p>6. Can you provide an update on the progress of the modern methods of construction projects in Wollongong and Lake Macquarie?</p> | <p>Three demonstration projects will be completed in the Wollongong LGA, and four in Lake Macquarie LGA, with an additional six sites under investigation. In Wollongong, the three homes are anticipated to be on-site and completed by the end of June 2025. Development Applications for two Wollongong sites were submitted to Council in late February 2025, for approval in March 2025, with a third to be submitted to Council in early March 2025.</p> <p>In Lake Macquarie, the four homes are planned to be on-site and completed by the end of September 2025. Development Applications will be submitted to Council by late April 2025, for approval in May 2025.</p> |