

LOCAL GOVERNMENT SOCIAL & AFFORDABLE HOUSING FACTSHEET

2026



Four ideas for how local governments can boost social and affordable housing supply.



Table of Contents

Introduction	2
1. Internal actions	3
a. Develop housing strategy/housing action plan/affordable housing plan	3
b. Tackling NIMBYism	4
2. Planning levers	6
a. Assess and amend existing planning policies	6
b. Inclusionary zoning and developer incentives	7
c. Regulating the short-term rental accommodation market	9
3. Differential rates	13
4. Partnerships and innovative land use	13
a. Layered funding options	14
b. Local government options/levers	17
Further information	18
Appendix 1: Overview of local government planning	18

Introduction

Local governments can play an active role in increasing social and affordable housing and improving housing affordability.

In turn, this can help to prevent homelessness and contribute to building safe and inclusive communities.

This fact sheet provides an overview of some key levers available to local governments, including:

- Developing a housing strategy,
- Planning mechanisms such as inclusionary zoning,
- Engaging in partnerships with public, private and not-for-profit organisations,
- Tackling NIMBYism, and
- Regulating short-term rental accommodation (STRA).

1. Internal actions

1a

Develop a housing strategy/housing action plan/affordable housing plan

Whilst the *Planning and Development Act 2005* requires local government to prepare a Local Planning Strategy as part of the Local Planning Scheme adoption process, there is no regulatory requirement for local government to prepare a local housing strategy. Local governments are required to identify housing need within a Local Planning Strategy and the State Government encourages local governments to produce housing strategies to help inform their Local Planning Schemes. As such, many local governments in Western Australia already have local housing strategies in some format or have housing objectives embedded in other strategies.

Given the escalating crisis in housing, the development of local housing strategies can be a key tool, as local community members struggle to access affordable housing, and businesses and essential services struggle to attract staff due to housing shortages. For example, in response to the post-Covid housing crisis, the Queensland State Government required and supported all local governments to develop Local Housing Action Plans. The development of these plans has facilitated new partnerships, initiatives, ideas and action at the local government level and is a good example of the potential of local government in the development and protection of social and affordable housing.

A housing strategy can help your local government:

- Understand the housing needs and issues specific to your area, now and for future planning.
- Identify possible and appropriate levers available to your local government to address local housing issues.
- Provide an excellent starting point for establishing partnerships, initiatives, projects that could increase social and affordable housing.
- Legitimise local government involvement in this space.

Case Study: Shire of Denmark – Housing Affordability Policy

The Shire of Denmark adopted their *Housing Affordability Policy* in 2024 which sets out their intent and scope of actions to increase social and affordable housing in their jurisdiction. This is a good example of a smaller local government addressing their housing issues at the local level.

Action: Conduct regular housing needs assessments for your local area.

Action: Develop a housing strategy/ action plan with a commitment to playing a role in increasing social and affordable housing and contributing to housing affordability in your community.

For more detailed guidance on developing a housing strategy in the WA context, please see: [WALGA Draft Local Government Housing Strategy Guide](#).

1b

Tackling NIMBYism

NIMBY-ism (not-in-my-backyard) is opposition to developments in one's local area, often driven by concerns about negative impacts like traffic or lower property values, but frequently criticised as being self-interested. It is a phenomenon often seen in response to efforts to increase housing densities in traditionally low-density cities, such as Perth, and it can also manifest in response to social and affordable housing development due to perceived threat to property values or local amenity.

Key NIMBY motivations might include:

- Territorialism – motivated by threat of loss or change of place/ identity.
- 'Enlightened resistance' (fighting for social/ environmental issues).
- 'Process sheriff' – perceptions of due process not being followed, unfairness.¹

Reframing the language your local government uses to talk about social and affordable housing, and homelessness, can be a powerful way of overcoming or minimising so-called NIMBYism.

¹ McKinlay, A., Baldwin, C., & Hamerlinck, J. D. (2025). Getting past NIMBY: new insights on participatory planning and protest. *Planning Practice & Research*, 40(1), 65–84. <https://doi.org/10.1080/02697459.2024.2411800>

“Changing minds requires a new narrative – one that replaces judgement with empathy and gives the public confidence that the system works. That means:

- Talking about health, wellbeing and community stability, not just affordability.
- Emphasising diversity and collective responsibility, not division.
- Showing that housing is well managed, with accountability for tenants and high standards of design and safety.

We must also acknowledge legitimate community concerns about maintenance, behaviour, or design and meet them with transparency. Social housing today is not the “housing commission” of decades past. It’s delivered through partnerships with professional community housing providers, who are responsible for tenant management and property upkeep”.

Source: Regen Strategic, 2025

Rather than dismissing or overriding community concerns, the key to overcoming NIMBYism is to bring the community along for the ride by engaging genuinely and early. The following suggestions may not overcome all opposition to social and affordable housing development, but can assist in gaining broader community support:

1. Genuine public consultation – as early as possible.
2. Publicly respond to and address legitimate community concerns.
3. Be transparent about funding/ development process decisions.
4. As a local government, talk about housing as essential infrastructure or as a human right in local government strategies and communications, and emphasise community wellbeing, rather than just ‘affordability’.²
5. Having an existing housing needs analysis/ housing strategy (that was developed with public consultation) may assist in gaining public support for specific projects when they arise and will provide greater legitimacy for local government interventions.

Action: Advocate for, encourage, and facilitate social and affordable housing in your local area.

Action: Reframe social and affordable housing as essential infrastructure across internal and external communications and strategies.

² For further information see:

- Social and affordable housing as social infrastructure – commissioned by Community Housing Industry Association (CHIA) (2019)
- A conceptual analysis of social housing as infrastructure – AHURI (2019)

2. Planning levers

Planning levers are the most common and familiar actions available to local governments to shape housing outcomes. This section draws heavily from the [WALGA Draft Local Government Housing Strategy Guide](#).

2a

Assess and amend existing planning policies

As a first step, local governments could conduct an analysis of existing planning (and related) policies and ask:

Do any existing policies create a barrier to new social and affordable housing?

Do any existing policies work against housing affordability?

Do existing policies protect existing affordable housing options in your area?

Consider how your local government planning objectives operate and whether they compete against affordable housing objectives. For example:

- **Flexible planning provisions** – consider the extent to which development controls permit diverse housing options and whether or not planning provisions are flexible enough to promote affordable housing opportunities. For instance, sometimes planning scheme provisions setting out requirements additional to those included in the R-Codes, relating to lot sizes, car parking or the use of certain materials and infrastructure contribution requirements may present barriers to the development of affordable housing. Certain provisions may be able to be softened to enable the development of housing to meet a particular local need.
- **Alternative accommodation policies** – consider existing provisions for STRA, tiny homes, ancillary dwellings etc. and ensure they support affordable housing/ housing affordability objectives, while also protecting local amenity and the environment (see further options for regulating STRA in the next section).
- **Specific controls to protect particular types of accommodation** – Local governments can also provide protections for existing affordable housing options. For example, within inner and middle urban areas experiencing high levels of growth, affordable options such as boarding houses may be facing redevelopment pressures. Similarly, caravan parks with long-term residents may provide a valuable source of affordable housing. Local governments may be able to respond to pressures for redevelopment with specific controls to preserve these existing options. For example, rezoning to designate an existing caravan park as ‘Special Use – Caravan Park’ rather than a more generic ‘Tourism’ zoning may provide some protection against redevelopment.

Case Study: Shire of Denmark – Tiny Home on Wheels (THOW).policy

This policy, passed in 2024, allows for a 2-year occupancy permit to be granted for one THOW per property, subject to conditions, with the possibility of being renewed.

This policy is a response to 2024 State Government changes to the *Caravan Parks and Camping Grounds Act 1995* and *Regulations 1997* to extend the maximum stay in caravans and THOWs to two years (it was previously three months), with local government approval, with the possibility of permit renewal.

The Shire of Denmark's THOW policy provides further clarity for the community and specifically protects THOWs as an affordable housing option by excluding their use as STRA.

2b

Inclusionary zoning and developer incentives

To ensure an ongoing supply of affordable housing, governments can require and/or incentivise the contribution of social and housing in new developments. To date, however, governments have been reluctant to impose broad inclusionary zoning requirements on the private sector and so far inclusionary zoning has mostly been applied in targeted development areas or at a local government level.

Mandatory planning provisions

Inclusionary zoning is where a certain percentage of social and affordable housing is required to be included in all or certain housing projects. This can be expressed in terms of land, dwellings or the payment of an equivalent levy allocated to such housing.

In WA, affordable housing is not referenced and affordability is not a stated objective of the *Planning and Development Act 2005* or the Local Planning Scheme Regulations. This provides some uncertainty around local government remit to apply inclusionary zoning provisions. Some WA local government policies encourage types of inclusionary zoning, for example the City of Fremantle's [Diverse & Affordable Housing Policy](#) states its commitment to "encourage a percentage of large mixed use or residential developments being set aside for

affordable housing through...mandatory minimum affordable and diverse housing provisions”.

Local governments can also play a role in advocating for a national or state framework for inclusionary zoning, to provide certainty for developers and facilitate a more streamlined approach to the delivery of social and affordable housing more broadly.³ A clear policy could also assist in normalising the delivery of social and affordable housing and reduce community opposition to such development.

Voluntary planning provisions

In the meantime, local governments can create incentives to secure voluntary contributions of social and/or affordable housing from developers. Possible incentives could include:

- Density or floor space bonuses for projects that deliver some social or affordable housing.
- ‘Fast-tracking’ approvals for specific and clearly defined forms of development (such as housing for older people).
- Offering fee discounts for forms of housing development (developer fees, infrastructure charges) that satisfy specific criteria.

Case Study: City of Cockburn – density bonus for affordable housing contribution on the Cockburn Coast.

The City of Cockburn offers a potential floorspace bonus for development applications that include affordable housing at the following ratio:

- Affordable yield 10 per cent = 30 per cent floorspace bonus
- Affordable yield 20 per cent = 40 per cent floorspace bonus
- Affordable yield 25 per cent = 45 per cent floorspace bonus.

Further bonuses may be granted where dwellings have more than one bedroom. [Learn more here.](#)

Action: Conduct an audit of your planning policies and strategies and determine whether there are any barriers to the development of social and affordable housing and amend if necessary to align better with local housing objectives.

³ See more on establishing a national framework for mandatory inclusionary zoning [here](#).

Action: Create local incentives in your planning policies e.g. density bonuses, fast-track approvals for social impact projects, discounts for DAs or on infrastructure charges.

Action: Consider where housing affordability can be unlocked via complementary policies e.g. ancillary dwelling policies, tiny home policy, short-term rental accommodation policies (more detail below).

Action: Advocate to the State and Federal Governments for the introduction of consistent inclusionary zoning policies.

2c

Regulating the short-term rental accommodation market

The rapid rise of short-term rental accommodation (STRA) via platforms such as Airbnb and Stayz are increasingly placing pressure on struggling housing markets. In response, governments around the world are introducing regulations and reforms to manage the impacts on their local community.

The WA State Government has introduced the *Short-Term Rental Accommodation Act 2024* (STRA Act) which established a state-based STRA Register and requires all residential premises used for both hosted and unhosted STRA to be registered from 2025. Information collected through the register will be provided to local governments.

Additional planning requirements have also been introduced:

- **In the Perth metropolitan area** development approval is required from the local governments for all unhosted STRA provided for more than 90-nights annually. Local governments are amending their local planning schemes so that where this approval is required, development approvals can be obtained by 1 January 2026.
- **Local governments outside the metropolitan area** have the right to determine their own conditions, and all local governments are encouraged to build on the registration system towards regulation where needed.

Local government levers:

The introduction of a STRA registration system enables greater insight into the quantity, location and density of STRAs in local government areas. Therefore, local governments now have the information to determine if and how to respond to the impact of STRA in their area. The State Government is supportive of local governments pursuing appropriate regulation for their region.

Types of levers that can be considered include:

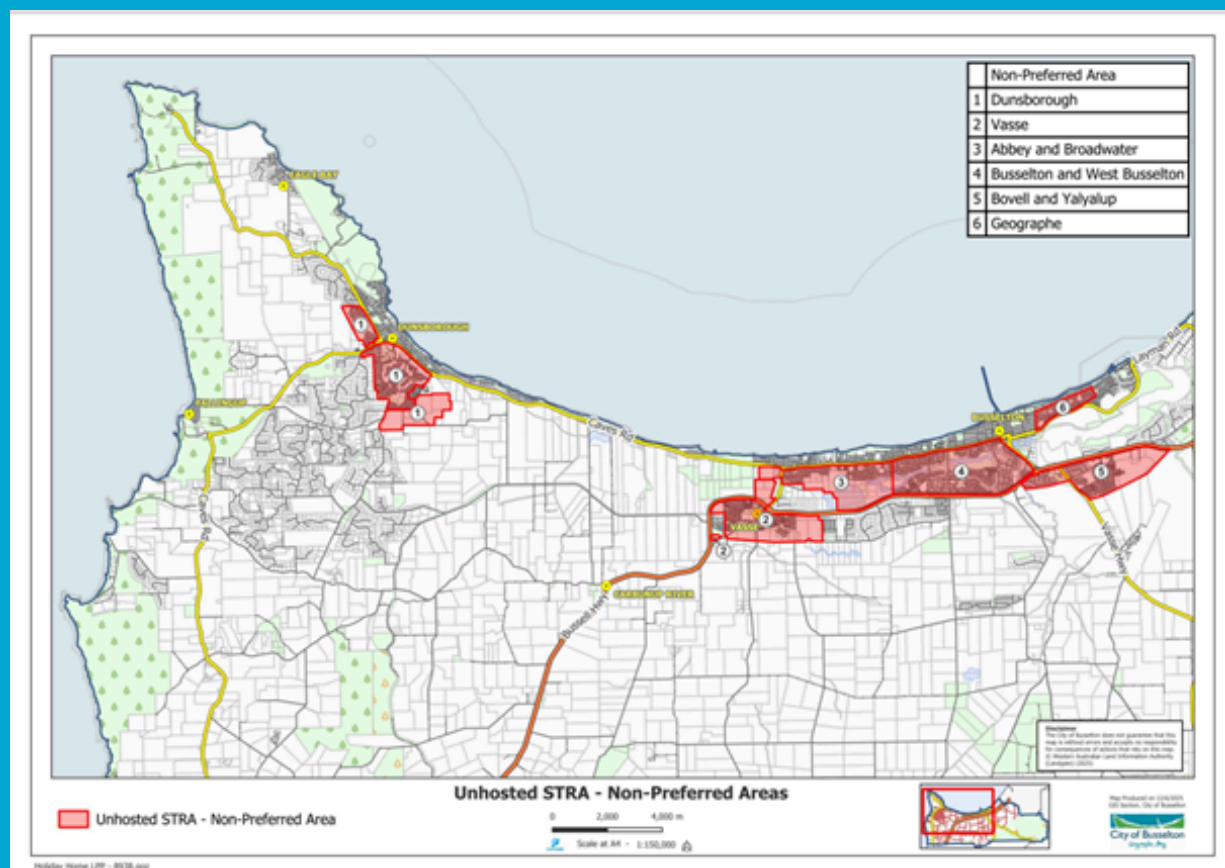
Type of lever	Details	Examples
Quantitative restrictions.	Limit the number of guests, and/or number of annual bookings.	Byron Shire Council (NSW) – unhosted STRA 60 day annual limit. City of Busselton – STRA policy has a guide for ratio of guests to house amenity.
Locational restrictions.	Confine STRA to specific areas and/ or restrict in particular zones.	City of Busselton – unhosted STRA restricted from specific residential zones.
Density restrictions.	Cap the total number of STRAs in a local area via lottery system, licence, caps.	Proposal by Grounded in their report <u>‘AirBNB: from a housing problem to solution’</u> (2024)
Qualitative restrictions.	Restrict the type of accommodation permitted as STRA e.g. in strata buildings or free standing homes etc.	New York City - STRA banned in all private homes.
Differential rates.	Charge STRA owners higher rates.	City of Adelaide and City of Unley (SA) charge unhosted STRA owners commercial rates instead of residential rates.
Taxation/ levies.	Charge owners fees or levies to register or operate a STRA.	Victorian Government – 7.5% levy on short stay bookings, collected via the platform.



Case Study: City of Busselton – Unhosted STRA – locational restriction

As WA's local government with the highest number of STRAs, the City of Busselton formally introduced a policy in June 2025 to manage and restrict the impact on the local community's access to affordable long-term housing.

The *Unhosted Short Term Rental Accommodation Policy* has restricted the presence of unhosted STRAs across the region (see below for a map of areas where unhosted STRAs are no longer permitted). Once current approvals lapse owners will have to cease operation in these areas.



Map of where unhosted STRAs are not permitted in the City of Busselton

Case Study: City of Unley (SA) - applying commercial rates to STRA properties

From the 2025-26 financial year, the local council will be applying a '**commercial – other**' land use to residential properties where the predominant use of the property is providing 'tourist accommodation' as a property offered.

Property will be deemed as having a 'commercial– other' land use if both of the following criteria are met:

- More than 50% of the property is available for short-stay rental accommodation; and
- The property is available for short-stay rental accommodation for 183 or more nights in the preceding financial year.

However, where a person resides permanently in the property, it will not be deemed as 'commercial – other' if evidence is provided confirming it is their principal place of residence.

For example: for a \$1 million value property predominantly being used for STRA, the General Rate would = \$4,620 compared to the residential rate of \$1,650.

Action: Local governments should consider whether to introduce additional STRA regulations and requirements, as appropriate for local conditions and needs. Data from the STRA register can be used to help define issues and an appropriate response.

State Government guidance for incorporating the STRA Act can be found [here](#) and [here](#).

WALGA has prepared [further guidance](#) on preparing Local Planning Policies in relation to STRA and on incorporating the STRA Act.

3. Differential rates

Local governments may be able to charge differential rates in line with their housing objectives. For example, as mentioned above, some local governments in South Australia and elsewhere have started charging commercial rates (which are higher than residential rates) for properties being used predominantly as unhosted STRA.

A number of local governments also apply differential rates to vacant land as a way of encouraging the best use of the land for housing supply. For example, the City of Vincent charges a higher Vacant – Residential rate on undeveloped land which “encourages the development of vacant properties, improving the City’s streetscape and stimulates growth and development in the community” ([City of Vincent](#)).

Further guidance on applying Differential Rates can be found [here](#).

Action: consider whether differential rates could be applied in line with your housing objectives, especially in relation to vacant land and STRA properties.

4. Partnerships and innovative land use

Local governments across Australia are increasingly partnering with not-for-profit community housing organisations (CHOs), government and/or private entities to increase social and affordable housing in their jurisdiction. Most commonly, local governments have played a ‘facilitator’ role, however as the housing crisis deepens, Local governments are increasingly playing a more active role as partner, where direct contributions are made in the form of land, assets or funding to realise housing that meets a particular local need.

Two areas where local governments have been particularly active are in the development of key worker housing (often via the [GROH](#) program) and in aged care housing to enable their community members to age in place. Regional local governments have typically been more active in this space out of necessity.

Case Study: Great Southern Worker Accommodation Strategy 2025

A three-way partnership between 11 local governments, the Great Southern Development Commission (GSDC) and the State Government has enabled a coordinated approach to increasing much needed worker housing in the Great Southern. The partnership has established solutions including adaptive reuse, strategic infill development, and targeted new construction, and was instrumental in the social and affordable housing outcomes in the [Spencer Park Renewal Project](#).

4a

Layered funding options

Local governments do not need to fund or develop social and affordable housing on their own. There are increasingly funding options available that could be unlocked through partnership with the private, public or not-for-profit sector.

Federal Government funding/ initiatives:

The National Housing Accord is targeting 20,000 new social and 20,000 new affordable homes across Australia over 5 years from 2024 and its success will be dependent on buy-in from all levels of government and both the private and public sectors. The Housing Australia Future Fund (HAFF) is a dedicated investment vehicle to provide additional funding to support and increase social and affordable housing, as well as other acute housing needs including, but not limited to, the particular needs of Indigenous communities and housing services for women, children and veterans. The HAFF was credited with \$10 billion on establishment. [This HAFF Factsheet](#) for local governments is from 2024 however it provides a good overview of the fund and the potential role of local governments.

WA State Government funding:

WA Government recently announced a **\$25 million** [Regional Housing Support Fund](#) which provides grants to local governments, CHOs and landowners/developers to support key worker, community housing and residential subdivision projects in regional Western Australia. The funding is intended to assist with site preparations, such as headworks and service connections, and improve project feasibility. Grants of up to \$5 million are available for approved projects.

Government Regional Officers Housing (GROH):

Local governments also invest directly in the development or refurbishment of housing to lease to the State Government through the GROH Program. The Regional Housing Support Fund is intended to overcome the prohibitive costs of

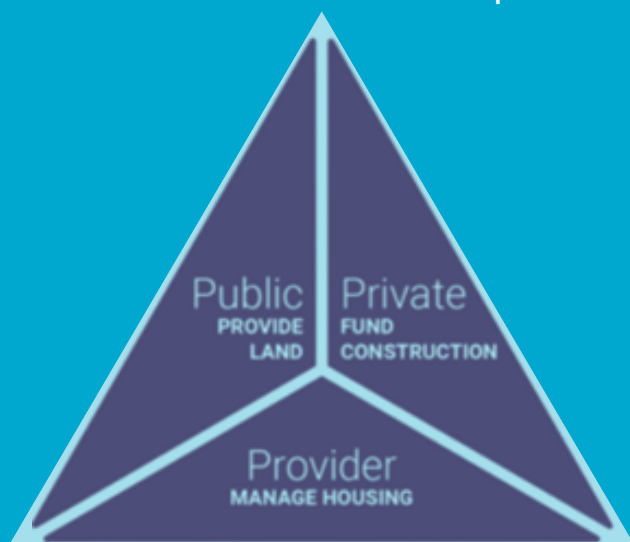
headworks and site preparation for sites that could be developed for the GROH program.

Other funding:

There are other sources of funding that can be unlocked through partnership and innovation. For example, the My Home project in WA raises capital through philanthropic channels and has existing partnerships with Rotary WA that help complete projects with limited government support.

Case Study: My Home WA

My Home in WA uses a Public Private Partnership (PPP) model which brings together governments, private sector, community groups and CHOs to develop housing for people who are homeless. The My Home model relies on state or local government and/or church bodies to provide land for long term peppercorn lease or at no cost. The landowner retains ownership of the land.



The My Home model is a proven concept in WA (See: [North Fremantle example here](#)). The small homes built through this model are architecturally designed, environmentally high performing, quality homes.

Current projects:

- Mandurah – DA approved.
- Albany – Construction underway.
- Carlisle – DA approved.
- Margaret River – DA being prepared.
- Quairading – Shire land secured. DA being prepared.

4b

Local government options/levers

One of the biggest barriers to the development of new social and affordable housing is the cost of land. Local governments are increasingly taking an active role identifying sites appropriate for new social and affordable housing, and gifting council land or land use (via long-term leases) to not for profit developers, or community housing organisations (CHOs) to develop these sites. The gifting/ leasing of council land is occurring across Australia and in WA, including in urban and regional locations, large and small local governments.

Examples of local governments using their land assets for social and affordable housing:

Shire of Quairading (WA): Granted a long-term peppercorn lease to My Home on two shire lots with low economic value to develop social housing. [More detail here \(pg.12\).](#)

City of Geraldton (WA) - GROH: Olive Street Housing Project for essential workers. Seven new homes will be built on freehold council land. Total construction cost is \$5.9 million of which \$1.6 million is contributed by the State Government, the rest is funded by City of Geraldton reserves. The dwellings will be leased to the State Government through the GROH program for at least ten years. [More detail here.](#)

CEACA/ Wheatbelt LGAs (WA) - affordable aged care: A partnership of 11 Local Governments in the Wheatbelt called the Central Eastern Aged Care Alliance (CEACA) was formed in 2012 and became a registered CHO for the purpose of building aged care facilities across the region that would enable their community members to age in place. In partnership with the Wheatbelt Development Commission and Regional Development Australia Wheatbelt, CEACA has embarked upon a 6 year program to construct 187 dwellings across the 11 Shires. Some of the land for these projects has been gifted by the alliance local governments (such as Shire of Dowerin), while another parcel was transferred from the State Government for the purposes of the project.

City of Moreton Bay (QLD): Granted long term leases on two council owned sites in 2024 following an EOI process calling for social and affordable housing development proposals. Two different CHOs were granted the leases and have commenced their projects. [More information here.](#)

Livingstone Shire Council (QLD): Gifted land to Anglicare CQ which is now being developed with 20 social homes and 6 affordable homes close to amenities. [More information here.](#)

City of Sydney: Sold land at a discount to a CHO to develop 257 affordable housing units. The housing is rented at below-market rates to low-income workers. Subsidised sale of land represents \$5 million discount on market value. [More examples from NSW here.](#)

The following options are available to local governments. These are likely to be most effective when supported by a local housing needs analysis and/or housing strategy.

Action: Conduct regular land audits in your local area. Identify and prepare 'shovel-ready' sites for social and affordable housing, for when partnership or funding opportunities arise. (City of Cockburn has an action in their '[Housing Affordability and Diversity Strategy](#)' for "the City to maintain a ready available Council owned development site that is available to explore partnerships which may become available through Government funding" (p.10)). Doing this work in advance can overcome wait time constraints around headworks and services connection.

Action: Actively build relationships with local CHOs, government entities (such as neighbouring local governments/regional development commissions) and private developers. For example, hold a workshop to find solutions to particular housing issues in your area. This could involve problem solving for specific sites.

Action: Be a facilitator. Make the most of state and federal grants and proactively seek partnerships and funding. E.g. invite EOIs for projects that meet a particular housing need with discounted land or other incentives that make projects more feasible for social and affordable housing development.

Action: Gift local government land or land use (via long term peppercorn lease) or provide land at a discount for social and affordable housing.

Action: Develop or refurbish housing and lease it to the State Government for GROH housing for essential workers in your region.

Action: Build your internal local government capacity and skills. Dedicate time and resources to developing and implementing housing strategies and to local relationship building. For example, create a housing officer role/ include housing outcomes in department KPIs/ include housing-related objectives into strategic community plans etc.

Further information

- ALGA – [Guide for local councils delivering affordable housing](#) (2025).
- [List of Local Government actions from University of Melbourne](#).
- [WALGA housing strategy guide](#) (2017).
- [NSW Local Government housing kit](#).

Appendix 1: Overview of local government planning levers

Strategic Options		Approach / mechanism
Advocacy		• Promoting the housing strategy to all stakeholders in pursuit of achieving its aims and objectives. • As well as traditional advocacy approaches, possible options can also include official openings, sponsorship, awards etc
Community Services & Community Development		• Coordinating or contributing to support services to those with specialist needs – elderly persons, homeless, residents of residential parks etc • Providing guidance and assistance for displaced residents
Financial Incentives		• Differential rating strategies to encourage the release of vacant or under used land. • Reduced fees and charges for desired forms of development
Partnerships		• Working with government agencies and private land holders to identify and release surplus land • Contributing land or resources towards special need housing projects • Offering further support for not-for-profit housing providers' projects to strengthen their capacity and capabilities locally
Land Use Planning	Increase housing supply	• Audit of potential residential land and site identification • Government dedication/acquisition of land • Land development or renewal authority • Land development incentives/penalties
	Reduce barriers to specific housing development	• Audit existing planning controls; assess impact of proposed regulations on specific housing types (eg aged housing) • Development controls permit diverse housing, in as many areas as possible • Faster approvals for preferred development
	Preserving & offsetting the loss of low-cost & specific housing types	• Preserving particular house types at risk • Requiring social impact assessments
	Encouraging new forms of particular housing types	• Consider changing zones or development controls to encourage development with appropriate lot and housing sizes, a supply of adaptable homes, and homes • Graduated planning standards relating to building use and context (e.g. lodging/boarding houses near transport require less parking). • Planning bonuses/concessions on development standards for designated special need housing creation or contribution • Fast track approvals for special need housing that meets defined criteria • Fee discounts for housing that meets defined criteria
	Securing new specific housing types and forms of tenure	• Voluntary negotiated agreements for special need housing contribution • Inclusionary zoning – mandatory contributions for all identified development in the zone to contribute to special need housing fund/supply • Mixed tenure requirements – proportion of development in new release areas must be affordable • Impact fees – mandatory contribution to offset impact of development on special need housing needs

Source: Australian Housing and Urban Research Institute Research & Policy Bulletin: 105

Contact Us

Level 12, 256 Adelaide Terrace, Perth WA, 6000

08 9325 6660

shelterwa@shelterwa.org.au

www.shelterwa.org.au

Connect With Us

 facebook.com/ShelterWA

 linkedin.com/company/shelter-wa

 instagram.com/shelterwa



shelterwa

