

Wednesday 10 September 2025

Attn: Department of Planning, Housing and Infrastructure  
Locked Bag 5022  
Parramatta NSW 2124

Dear Department of Planning, Housing and Infrastructure,

**Subject: Shelter NSW Submission to State Significant Rezoning, WestConnex Dive Site, Annandale**

Shelter NSW appreciates the opportunity to make a submission to the Department's proposed rezoning of the WestConnex dive site in Annandale.

**Who are we?**

Shelter NSW has been operating since 1975 as the State's peak housing policy and advocacy body. Our vision is to create a sustainable housing system that provides a secure home for all. We are especially concerned for low-income households who struggle to afford good quality and well-located housing. We provide systemic advocacy and advice on policy and legislation for the whole NSW housing system. We are a member-based organisation; representing organisations and individuals committed to housing justice, from community housing providers, specialist homelessness services and related peak bodies, to community groups, policy professionals, academics and social housing tenants.

**1. The proposed State Significant rezoning of the WestConnex Dive Site, Annandale.**

It is the understanding of Shelter NSW that the Department is concurrently exhibiting a State Significant rezoning proposal as well as a State Significant Development Application related to the Stage 1 development of the WestConnex dive site in Annandale. The rezoning proposal outlines the Department's intention for the entirety of the site, amending the zoning as well as existing Height of Building (HoB) and Floor Space Ratio (FSR) controls in the *Inner West Local Environment Plan 2022*. Specifically, the Department proposes the rezoning of 160-186 Parramatta Road and 79-95 Pyrmont

Bridge Road, Annandale from E4 General Industrial to MU1 Mixed Use. The proposal also seeks to amend the HoB to 59m and 77m, as well as to increase the FSR from 1:1 to 4.9:1.<sup>1</sup>

The development application, covering whole-of-site works as well as subdivision and the construction of 220 shop-top Build-To-Rent (BTR) housing dwellings designated as ‘Landcom Essential Worker Housing,’ outlines Stage 1 of development on the site.<sup>2</sup> Commenting on the dive site in its entirety, this submission will be concerned with the rezoning and the conditions upon which it occurs – namely the Affordable Housing Contribution and provision of non-market housing onsite – though will examine the merit of the existing BTR proposal in this context.

## 2. Housing needs in the Inner West LGA

The exhibited documents demonstrate quite clearly the need for additional housing in the Inner West LGA and the explicit demand for social and affordable housing. The figures cited in the Economic Impact Assessment note that approximately 96.3% of very-low income households and 77.5% of low income households are experiencing rental stress. Such severe levels of rental stress are reflective of an unaffordable rental market, where only 5% of rental stock is affordable for very-low income households, while 17% is affordable for low income households.<sup>3</sup> It is estimated that there are currently 6,342 households (8.6% of LGA) with an unmet need for Affordable Housing.<sup>4</sup>

The State Assessed Rezoning Proposal notes that the Inner West LGA is “experiencing chronic housing undersupply” and is only set to meet 18% of its future housing need to 2041.<sup>5</sup> This lack of supply, demonstrated in low local rental vacancy rates – below 2% in both Camperdown and Annandale – has had an inflationary impact on local rental prices, with rental prices for units having increased by 30% since 2019.<sup>6</sup>

The increasing unaffordability in the area has impacted the ability of essential workers to live in the Inner West LGA. Figures exhibited note that over half of the workforce of the Royal Prince Alfred

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<sup>1</sup> Ethos Urban, *State Assessed Rezoning Proposal: The Joinery, Annandale* (submitted to Department of Planning, Housing and Infrastructure on behalf of Landcom, 2025).

<sup>2</sup> Ibid.

<sup>3</sup> Ethos Urban, *Economic Impact Statement 160-186 Parramatta Road and 79-95 Pyrmont Bridge Road, Camperdown* (submitted to Department of Planning, Housing and Infrastructure on behalf of Landcom, 2025).

<sup>4</sup> .id (Informed Decisions), *Inner West Council Housing Monitor – Affordable Housing Need*, accessed September 8, 2025, [housing.id.com.au/inner-west/affordable-housing-need/](https://housing.id.com.au/inner-west/affordable-housing-need/).

<sup>5</sup> Ethos Urban, *State Assessed Rezoning Proposal: The Joinery, Annandale*, 39.

<sup>6</sup> Trent Saunders and Peter Tulip, *A Model of The Australian Housing Market*, RBA Research Discussion Paper 2019-01 (Sydney: Reserve Bank of Australia, 2019), 18; Ibid.

Hospital in Camperdown reside in neighbouring Local Health Districts.<sup>7</sup> Research from the University of Sydney, cited in the proposal's Social Impact Assessment, notes that essential workers are increasingly leaving inner-city suburbs for outer suburbs and regional areas due to rental prices. In the period from 2016 to 2021, the Inner West experienced a net loss of 8% of essential worker residents, while essential workers across Greater Sydney were facing increasing rates of rental and mortgage stress.<sup>8</sup>

In lodging this rezoning proposal, the Department has quite clearly demonstrated its intent to increase housing supply and to accommodate its essential workforce. This proposal in total seeks to provide a range of housing typologies as well as contribute to 7.4% of the Inner West's housing target to 2029.<sup>9</sup> However, the success of this proposal will depend on its ability to meaningfully address current affordability issues.

### 3. Public land the provision of non-market housing

The WestConnex dive site should be viewed as an opportunity to establish best practice for public land renewal, as well as an opportunity to experiment with how housing can be developed by NSW Government. Shelter NSW notes that the Department is engaging with a new typology via the provision of essential worker BTR housing on the site but would encourage further ambition on the matter.

Given Landcom and the Department are not subject to the same profitability calculations as private developers, Shelter NSW encourages the Department to give greater consideration to housing typologies and features that more adequately reflect community demand. Given the high proportion of students in the area, with proximity to the University of Sydney, University of Technology Sydney, and the University of Notre Dame, this site could provide the opportunity for the development of affordable student housing. Should Landcom and the Department explore this opportunity, any profit generated through rental income could be reinvested into the site. Likewise, given the site's proximity

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<sup>7</sup> Ethos Urban, *Social Impact Assessment 160-186 Parramatta Road and 79-95 Pyrmont Bridge Road, Camperdown* (submitted to Department of Planning, Housing and Infrastructure on behalf of Landcom, 2025) 19.

<sup>8</sup> Chris Gilbert, Zahra Nasreen, and Nicole Gurrán, *Tracking the Housing Situation, Commuting Patterns and Affordability Challenges of Essential Workers: A Report Prepared for HOPE Housing* (Sydney: The University of Sydney, 2023) cited in Ethos Urban, *Social Impact Assessment 160-186 Parramatta Road and 79-95 Pyrmont Bridge Road, Camperdown*, 19.

<sup>9</sup> Ethos Urban, *State Assessed Rezoning Proposal: The Joinery, Annandale*, 33.

to Royal Prince Alfred Hospital, consideration could be given to short-term accommodation for outpatients and the family members of those in care.

Current plans seek to subdivide the site into four lots, three of which are to be developed for residential accommodation. The two lots not considered in the concurrent State Significant Development Application are intended to be sold to private developers, with the exact provisions of those sites subject to development approval. The sale of these sites is intended to fund the provision of the essential worker BTR accommodation.

While Shelter NSW appreciates the desire of Landcom and the Department to finance non-market typologies via the private market, opportunities to cross-subsidise residential accommodation should be explored widely. As noted, community demand for affordable housing solutions has only increased in recent years, to the point whereby the Department is explicitly targeting the essential workforce through its Affordable Housing Contribution.

Community Housing Providers (CHPs) are now well-established actors in the provision of social and affordable housing, and are able to access tax concessions and funding streams that are not available to Landcom or the Department. The engagement of a CHP, either as a sole developer or via consortium, for the development of the remaining lots would allow the Department to continue to externally finance its essential worker BTR housing while maximizing the benefit of the renewal of high-amenity public land via CHP-owned and managed social and affordable housing. Precedence for this type of arrangement exists, with similar partnerships being utilised in the renewal of the Waterloo South public housing estate. Shelter NSW encourages the Department to identify partners for development where community benefit is maximized.

#### **4. Essential Worker Housing**

While the proportion of essential worker housing provided on this site is commendable, Shelter NSW is concerned that this is the only Affordable Housing delivered on this site. While the proposal stipulates that rent will be set at no more than 80% of market rent, the eligibility criteria remain undefined.

##### **4.1. Essential Worker Housing eligibility**

It is the view of Shelter NSW that the NSW Government should remain agnostic regarding how income is earned and should not work to create a tiered Affordable Housing product.<sup>10</sup> While the concern regarding the attrition of the essential workforce in the Inner West LGA is well-founded, measures to address affordability more broadly will allow essential workers to continue to live in the LGA without the need to carve out specific sites for certain professions. Instead, the 40% provision of essential worker housing should be nominated Affordable Housing, which is subject to a statutory definition. This would ensure that the BTR housing delivered in Stage 1 of this development is consistent with the *NSW Affordable Housing Ministerial Guidelines 2024-2025* and thus is consistent with products delivered by CHPs. As it currently stands, there is no universal definition for essential worker housing which could create ongoing governance issues and negatively impact the delivery of affordable housing for very-low to moderate-income earners that would otherwise be covered by the *Ministerial Guidelines*.

#### **4.2. Affordable Housing management**

While currently undefined, it is the view of Shelter NSW that the Affordable Housing on this site – essential worker or otherwise – should be provided in-perpetuity, particularly if Landcom retains ownership. How the site is to be managed is currently unclear, however, we would recommend that either a CHP, which would have the requisite knowledge and resources to manage an Affordable Housing portfolio, or the Department of Communities and Justice, who manage publicly owned non-market housing, be responsible for its management.

Shelter NSW recommends that the rent is set at no more than 30% of the resident's income or no more than 80% of market rent, whichever is less. Discount-to-market rent in unaffordable locations does not always facilitate affordability for those eligible for non-market housing, particularly for very-low to low income households. Furthermore, the Affordable Housing on-site should be allocated as evenly as possible between the three household income quintiles able to access social and affordable housing (very-low, low and moderate), to ensure that allocation is not skewed in favour of those with the capacity to pay higher rents.

#### **4.3. Provision of social and affordable housing on other lots**

According to current plans for subdivision, lot 2 and lot 3 will be treated as separate developments contingent on separate development consents. As such, it is the view of Shelter NSW that they should

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<sup>10</sup> See: Shelter NSW, *Submission to the Parliamentary Inquiry into Options for Essential Worker Housing in New South Wales* (Submission to the Legislative Assembly Select Committee on Essential Worker Housing, Parliament of New South Wales, Sydney, 2024).

also be assessed separately regarding their provision of social and affordable housing. On public land, social housing should be viewed as the gold standard in the provision of non-market housing. We strongly encourage that a condition of attaining development consent on these lots be that the developer provides social and affordable housing dwellings on site, in line with the Inner West LEP and Affordable Housing Policy.

**Thank you for your consideration**

Shelter NSW thanks the Department of Planning, Housing and Infrastructure for its consideration. Should the Department wish to discuss this submission further, please contact Drew Beacom ([drew@shelternsw.org.au](mailto:drew@shelternsw.org.au) or 0405 093 123).

Sincerely,



John Engeler  
Chief Executive Officer  
Shelter NSW