

2 June 2026

Department of Planning, Housing and Infrastructure
GPO Box 39
SYDNEY NSW 2001

Dear Department of Planning, Housing and Infrastructure,

Subject: Waterloo Estate (South) Concept

Shelter NSW appreciates the opportunity to make a submission to the concept State Significant Development Application and concurrent rezoning for Waterloo Estate (South).

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 to resolve housing inequality. We are a member-based organisation; representing organisations and individuals committed to housing justice, including community housing providers, specialist homelessness services and related peak bodies, to community groups, policy professionals, academics and social housing tenants.

Additionally, Shelter NSW has worked closely alongside advocates, service providers, government agencies, community organisations and public housing tenants over the course of the last decade, since the project's initial proposal in 2015. Shelter NSW is the co-chair of the Waterloo Redevelopment Group, as well as an active member of the Groundswell coalition and Waterloo Human Services Cooperative. This relationship with the people and organisations living and working in Waterloo informs this submission.

1. Context: First lodgment of development documents by the Waterloo Consortium

This development application in many ways marks the beginning of the formal Waterloo public housing estate renewal. Although plans for this redevelopment have been made at various stages over the last two decades, the exhibited concept and rezoning application outlines the project that will be delivered on this site by Land and Housing Corporation (Homes NSW) and Stockland. This commences a development approval process that will allow for detailed design applications and the commencement of construction after that.

To summarise the documents exhibited, the applicants propose to deliver approximately 3,300 dwellings on this site, delivering a mix of tenures with a minimum of 30% social housing and maximum of 50% market housing, with affordable housing making up the balance. This project will also deliver open public space, including two parks, non-residential floorspace, and community facilities. The concurrent rezoning seeks to amend the *Sydney Local Environment Plan 2012* to accommodate the concept application, including amending height and floor space ratio controls, minimum non-residential gross floor area requirements and the Waterloo Estate (South) Design Guide 2022.

Shelter NSW has engaged previously with Homes NSW/Land and Housing Corporation and the City of Sydney on the scope and outcomes of this redevelopment, with a particular focus on the delivery of non-market housing – social and affordable – and the experiences of the existing residents of Waterloo. The focus of this submission will be similar.

The purpose of this submission is to comment on the applicants' proposal and to make recommendations to ensure that the best outcomes are achieved on this site. We note that this proposal has evoked a variety of views from the community, including amongst existing residents of the Waterloo Estate. The Shelter NSW membership is no different. While we do not wish to debate the merits of the redevelopment, as that debate is now settled in the eyes of government, we would like to note that the acceptance of the need for total demolition and redevelopment was not universal.

2. Development considerations

a. Tenure

i. Tenure Mix

The Waterloo South redevelopment proposes the construction of 3,300 dwellings, of which 50% will be private, a minimum of 30% will be social housing, owned by Homes NSW and managed by community housing provider Link Wentworth, and the remainder will be affordable housing. In other words, this project will see the divesting of 70% of the residential gross floor area away from public ownership, with rent-controlled affordable housing making 20% of this figure, at least for 25 years.

While we understand that many factors played a part in influencing this decision, including budget constraints and a desire to create a mixed tenure community, Shelter NSW would like to note that these issues should not constrain Homes NSW from substantially increasing public housing stock, as per its remit. This proposal is noteworthy in that respect, but not substantial.

In 2021, Shelter NSW commissioned housing academic, Prof. Peter Phibbs, and economist, Dr. Cameron Murray, [to investigate an alternative to the then proposed 'Communities Plus' model](#). This

model, introduced by the then NSW Liberal Government saw the government partner with private developers to deliver public housing estate renewal with a 30/70 split between social and market housing. This analysis concluded that Homes NSW would be able to deliver more housing on the Waterloo South site should it leverage its assets for finance and operate more like a private developer. It was noted that the rental yields on state-managed build-to-rent housing would be able to provide a steady income stream to service debt while the capital value of the site improved, which could be realised at a later point in time if necessary.

We note this analysis not to discredit the applicants or to oppose this proposal, which has seen a significant amount of work already undertaken. Much rather, we note this to make the case that public housing estate renewal does not require such levels of private market interest to succeed, particularly in high value land areas. While the selling of public land may be necessary in some instances to improve cash flow, we would caution Homes NSW that once public land is sold, it is gone. Future capital gains and yields are forgone, and the delivery of future housing becomes more difficult, [as demonstrated recently in the inability of the NSW Government land audit to deliver significant public housing stock](#).

This approach is also a relatively limited way to address the current demand for social housing. This project will deliver a net total of 240 new social housing dwellings, 32 dwellings short of the current priority waitlist for the Inner City.¹ While new social homes will always be welcomed by Shelter NSW, we encourage Homes NSW to be even more ambitious when it comes to meeting the demand for social homes, especially on existing public land.

ii. Affordable Housing

The management and provision of the affordable housing component remain at this stage unclear, with 7% noted to be delivered in perpetuity, owned and managed by City West Housing. The ownership and management of the remaining 13% of the stock is not stipulated, which we speculate is due to questions over funding arrangements. The current 50% balance between market and non-market housing to be delivered on the site is important for maintaining the social license of the redevelopment as well as providing genuinely affordable housing for local residents.

¹ New South Wales Department of Communities and Justice, "Expected Waiting Times," *Social Housing Waiting List Data*, accessed June 1, 2026, <https://dcj.nsw.gov.au/about-us/families-and-communities-statistics/social-housing-waiting-list-data/expected-waiting-times.html>

Should the requisite funding not eventuate for the time-limited social housing we believe that right of first refusal should be offered to community housing providers and Homes NSW at the conclusion of the 25-year period to continue the delivery of non-market housing.

All affordable housing on this site should be delivered by a community housing provider, in line with the City of Sydney's principle for rent setting so that no tenant pays more than 30% of their income on rent.

iii. Typology creativity

Projects of this scale offer an opportunity for applicants to be creative in the final products that they deliver onsite. We encourage the applicants to consider alternative housing models, such as co-operatives and co-living models, so as to offer a diverse range of housing solutions to accommodate residents at different price points and with different needs.

iv. Governance

Given the diversity of tenure onsite, each being owned and operated by different stakeholders, we encourage the implementation of strong governance frameworks that clearly outline the roles and responsibilities of the individual stakeholders from construction through to operation and management. This will provide residents and consortium partners with clarity and transparency to ensure accountability for service delivery and maintenance.

b. Design

i. Tenure 'blindness' or neutrality

To ensure the greatest levels of success for this project, the applicants should deliver buildings that are tenure neutral or tenure 'blind'. This will assist with community development and work to mitigate the stigma attached to social housing. Given the exhibited documents propose separate buildings according to tenure, this is of particular importance as not to create a visible hierarchy of tenures across the site.

Similarly, we do not believe that differing pathways for design excellence across the tenure types is conducive to tenure blindness. The current proposal seeks to amend existing design excellence requirements for a competitive design process. This would permit the affordable and social housing to be delivered by appointed architects subject to a design excellence panel, while a design competition is held for the market housing buildings. Removing the design competition requirement for non-market housing limits the design potential of the project and removes the ability of specialist

architects to leverage their knowledge of typology and the local community to achieve the best outcomes possible. As such, we believe these requirements should be retained across all typologies.

ii. Accessible Design

Part of the justification for this project, outlined in the environment impact statement, is that the existing stock has reached the end of its useful life and does not adhere to modern building codes. Noting the older and aging population of the Waterloo South site, Shelter NSW echoes these concerns, particularly in relation to the accessibility and adaptability of the dwellings on this site.

This proposal notes that 85% of social housing dwellings will be built to the silver standard of the Livable Housing Design Guidelines with 15% built to the gold standard. 20% of market and affordable housing will also be built to the silver standard. These standards exist to better support future occupants who face mobility constraints, and their implementation is critical to designing dwellings that allow their occupants to age in place.

Shelter NSW notes that only NSW and WA have not incorporated the Livable Housing Design Guidelines into their respective building codes. Silver level requirements are the mandatory minimum in most other parts of the country. Thus, while these design standards establish a meaningful floor on design, ensuring that dwellings are adaptable for greater mobility considerations into the future, they may not adequately meet the needs of people already facing significant mobility challenges. So, while we commend the applicants for exceeding current standards, we do not believe that this will adequately serve the future tenants of social and affordable housing in Waterloo South.

To ensure that these dwellings continue to meet building standards into the future and do not require Homes NSW or tenants of limited mobility to retrofit these dwellings, the applicants should deliver significantly more gold and platinum standard dwellings, in both the social and affordable housing buildings.

While we note that owner occupiers of the private housing stock are likely to have more agency in the accessibility of their dwelling i.e. they will choose to purchase it or not, the tenants of property investors living in the market housing are less likely to have the same level of agency. To ensure that all prospective residents of Waterloo South have dwellings that can adapt to their needs, we recommend a greater proportion of silver, gold and platinum dwellings to be delivered in the market housing.

iii. Family-friendly

The current social housing wait time for 3+ bedroom dwellings exceeds ten years in the Inner City DCJ allocation zone where Waterloo is situated.² As we become more reliant on the development of apartment buildings in urban areas to meet our housing need, we must ensure that these developments meet the needs of families in the same way they do for couples and single person households.

We recommend that a significant provision of 3+ bedroom dwellings be made to meet this need. In addition, specific family-friendly design considerations should be incorporated at the detailed design stage. These include, but are not limited to, larger apartment sizes, larger living spaces that can accommodate child play, additional storage space particularly for bulky items like prams, bathrooms with bathtubs and clear sight lines between kitchen and living area to aid child supervision.

iv. Climate resilient

Based on conversations that Shelter NSW has had with the existing public housing tenants, we know that the thermal performance of the existing dwellings is subpar. That is, they are too hot in summer, too cold in winter and can cost a significant amount to heat and cool, if the tenant has the means to install any climate controls. The applicants' commitment to deliver dwellings that 'prioritise climate resilience and liveability through passive design, urban heat mitigation, high-quality open space, active transport integration and enhance residential amenity' is to be commended. We will continue to follow these commitments through the detailed design stages and provide feedback to ensure that the future dwellings can respond effectively to Sydney's changing climate without placing financial stress on occupants.

Similarly, the commitment to 100% renewable energy for post-construction operations as well as 40% retention of embodied carbon should also be recognised. These commitments will mitigate some of the environmental impacts of this project and work to minimise ongoing costs for occupants, in the case of renewable energy.

c. Community

i. Parking

This project is set to deliver approximately 1,500 parking spaces with 32-50 spaces set to accommodate car share facilities. It is noted that this amount is less than the limit for the site, with

² New South Wales Department of Communities and Justice, "Expected Waiting Times."

the site's accessible location and connections to active and public transport used to justify this decision.

Shelter NSW agrees that sites of this scale should look to put people ahead of vehicles and create developments that preference amenity and accessibility in favour of private vehicle access. However, these considerations should not come at the expense of non-market housing residents having access to a private vehicle. While the exact breakdown of parking will be decided at a later stage, we recommend that parking provisions are split equitably between the tenure types.

Car sharing may work towards bridging this gap. We encourage the applicants to proactively engage with car share providers to negotiate development specific arrangements for residents across the project. While car sharing may be convenient for those who can afford an additional fee on short commutes, existing fee structures prevent car shares from becoming a practical substitute for anyone who may need to travel long distances or require a car for a prolonged period of time.

Additionally, we note that parking constraints are already an issue in Waterloo. While residents may have access to off-street parking, the carers and support services that residents rely upon may not. We recommend that the needs of these cohorts are considered during the detailed design phase. This may look like reserved parking for community service providers and carers. We recommend that this topic is discussed further with social and affordable housing tenants, community housing providers, and locally significant community services and advocates.

ii. Community facilities and retail

This project will provide 5,000sqm dedicated to community facilities. We note that the applicants are seeking to include educational establishments in the scope of what is to be provided on this site. Shelter NSW recommends that this allocation of non-residential floorspace is tailored to community need, not commercial interests. The successful tenants/operators of this floorspace should be non-profit with strong existing ties to the local community.

Similarly, in considering the future uses of the non-residential floor space across the development, provisions should be made to attract affordable retailers. In conversations with current tenants, a desire for affordable grocers and food outlets specifically have been noted.

3. Community Participation Considerations

a. Pre-lodgment and applicant-led consultation

Shelter would like to commend the efforts the applicants have made to engage with the community across a variety of forums. During this current public exhibition period, various attempts have been

made to engage with the community meaningfully, both in-person and online. We commend the lengths the applicants have gone to in order to translate complex documents into the major languages spoken by the public housing tenants as well as plain English. We also would like to note our appreciation for the development of submission writing guides and instructions to assist the community in engaging with the community consultation process. While the applicants may not always receive the responses that they hope for in undertaking this work, their commitment to meaningful community participation is clear.

However, due to this work being undertaken by the applicant and the potential for a conflict of interest to arise, these documents are housed on a website relating to the development, separate to the planning portal. We appreciate the need for this approach, but would encourage the department to make similar resources available more readily, particularly for projects of this size impacting diverse communities.

b. Inadequate time to comment

Twenty-eight days to read, interpret and formulate a response to the largest social housing renewal project in the state is inadequate. While we are relieved that the department used its discretion to go above the recently amended fourteen-day minimum exhibition period for state significant residential developments, demonstrating the inadequacy of that amendment, we note that for effective public consultation to be undertaken more time must be given to the community.

Shelter NSW makes this point as an advocacy body with strong relationships with planning professionals, housing academics, industry peaks and members of the Waterloo Consortium. Despite being in such a privileged position with an ability to call upon a broad range of expertise to analyse the exhibited materials, formulating an adequate response requires significant time. We note that most of the impacted community in Waterloo South will not be able to call upon the same expertise to assess and respond to technical planning documents of such detail and consequently would require significantly more time to respond than professional advocates. Inadequate exhibition times render the public exhibition process a flawed exercise and undermine the department's objectives for community participation.

c. Inaccessible public exhibition

For public consultation to be effective it must facilitate community responses in a number of ways and across a number of forums. Shelter NSW must note its dissatisfaction with the department for its deferral of consultation responsibilities to the applicant, with the applicant being prevented from assisting in the production of submissions. We commend Stockland and Homes NSW for their

thorough attempt at community engagement during the current exhibition period and the during pre-lodgment consultation, but note that DPHI must be available to assist with the collection of feedback for this to result in meaningful submissions that can positively impact the outcome of this development.

The Waterloo South community is quite diverse with varying levels of written and digital literacy, particularly in English. For this community consultation, the only way a submission can be lodged is via the online planning portal, which requires the creation of an account, or via a written submission, requiring an individual to personally contact the Department. This must be done with adequate time to attain, write and return a submission before the consultation deadline. This will not elicit a strong rounded response from the community, forgoing an opportunity to connect the community with the development and its final outcomes. We encourage the department to explore alternative approaches to engaging with community members, particularly on public housing estates, so that meaningful public consultation is undertaken in a way that can inform the final development outcomes.

d. Overcoming consultation fatigue

Shelter NSW notes that in our work with tenants and community service providers in Waterloo, there is an acknowledged apathy on the part of the community towards consultation. With many different stakeholders consulting the community for a number of years on a variety of issues and topics, including relating to this development, it is understandable that local residents are no longer as receptive to consultation as they once were. This, combined with an underlying perception that consultation does not usually work in the favour of the community, makes for a difficult environment to drive engagement over future development processes.

Unfortunately, as this project continues and requires community input on more tangible outcomes, such as the detailed design applications and formulation of social impact management plans, the community is likely to be less willing to respond. We encourage the applicants to continue to work closely with tenants, service providers, local advocates and NGOs to explore new and alternative ways to ensure that the community of Waterloo continue to be engaged by the development and are able to help shape its outcomes. Finding ways to demonstrate the impact of community consultation on the development so far would be a helpful first step.

Thank you for your consideration

Shelter NSW thanks the department and the applicants for its consideration. Should the department and/or applicants wish to discuss this submission further, please contact Drew Beacom (drew@shelternsw.org.au), Thomas Chailloux (thomas@shelternsw.org.au) or John Engeler (admin@shelternsw.org.au).

Sincerely,

John Engeler
Chief Executive Officer
Shelter NSW