

City West Housing Pty Limited
Suite G01, Building B/33-35 Saunders St
Pyrmont NSW 2009
ABN: 47 065 314 758



10 September 2025

To:
The Department of Planning, Housing and Infrastructure
New South Wales

Re: Affordable Housing Dedication under the Transit-Oriented Development (TOD) Framework

Dear Sir/Madam,

City West Housing Pty Limited writes to you in relation to the application of the TOD framework requirement for a 3% dedication of affordable housing in perpetuity and in particular in relation to our proposed Melaleuca apartment development located at 30-34 Sir Joseph Banks Street, Bankstown NSW 2200.

About City West Housing

City West Housing (CWH) is a registered charity and Tier 1 Community Housing Provider (CHP) (R4526151110). Since 1994 we have developed, owned and managed affordable rental apartments for thousands of Sydneysiders. Our Constitution makes it clear that our sole charitable purpose is to relieve distress, misfortune, hardship, disability or poverty experienced by people in need, by providing access to affordable housing options.

In line with our charitable purpose, our developments are primarily focused on the provision of affordable housing, consistent with our organisational mandate and regulatory obligations. Being a charity, surplus proceeds from the sale or operations of any of our assets (such as rental income from commercial tenancies, rental or sale of apartments, or sale of other property) must be reinvested into the provision of affordable housing thereby ensuring that the funds are always used to provide affordable housing in perpetuity (unlike for-profit organisations that disburse profits to shareholders). As a registered not-for-profit CHP, we qualify to satisfy planning requirements to manage and/ or own affordable housing provided through planning incentives or inclusionary zoning.

About Melaleuca Apartments

In 2021 we began to see the hallmarks of an urban renewal occurring in Bankstown. Understanding that this would increase demand for affordable housing in the local area, in 2022 we purchased the subject site with the intent to develop the site for affordable housing when funding could be secured. Funding affordable housing is complex and unpredictable. We have since identified a funding strategy which was the stimulus for our planning application. The realisation of this strategy will not be known until planning consent is granted and formal building costs are received.

Planning Intent and Requirements

The planning intent of the Bankstown Accelerated Transport Oriented Development (TOD) Precinct, as established through the State-led rezoning finalised in November 2024, is to deliver up to 14,000 new homes within walking distance of Bankstown Station, with a strong emphasis on housing diversity and affordability. The Canterbury-Bankstown LEP, amended as part of this rezoning, includes **Clause 6.38 of the Canterbury-Bankstown LEP** which provides that a **consent authority may impose** a condition requiring an affordable housing contribution for development within the Bankstown TOD Precinct. For the Melaleuca site, the mapped contribution rate is 3% of the residential gross floor area in perpetuity (equal to 4 apartments). This requirement supports the broader strategic objectives of the NSW Government and Canterbury-Bankstown Council to increase the supply of affordable housing in well-located areas, consistent with the South District Plan, the Canterbury-Bankstown Housing Strategy, and the National Housing Accord.

In Perpetuity Affordable Housing

As detailed above, not-for-profit CHPs exist for the sole purpose of providing subsidised (social and affordable) housing. The charitable and statutory regulatory frameworks governing registered community housing providers ensure that all proceeds are invested in affordable housing. In addition to a statutory regulatory system which operates under National Law and creates an annual compliance obligation, registered CHPs are also required to have a wind-up clause in our Constitutions that state that in the event of wind up, all surplus assets must go to a similar entity (i.e. another CHP).

The Community Housing sector for years has lobbied for affordable housing delivered through planning incentives by for profit entities to be restricted in perpetuity as precedents have shown that affordable housing owned by for profit entities generally cease to remain affordable once restrictions or funding expire.

While the intent behind perpetual dedication is to safeguard affordability, applying this requirement to not-for-profit CHPs can unintentionally constrain their ability to deliver housing at scale. In particular, a dedication in perpetuity has the effect of reducing property valuations which in turn reduces our capacity to borrow against our assets and therefore diminishes our ability to reinvest in future housing projects. An in perpetuity restriction on not-for-profit organisations is an unnecessary duplicative restriction which has an adverse effect on the supply of affordable housing.

expected economic life for well-built apartment buildings.

CWH Proposal for Melaleuca Apartment development

In line with our purpose and constitution, CWH intend to operate the entire development as affordable housing for as long as possible. However, to provide for flexibility relating to project finance, and for the purpose of this application, CWH are proposing to commit Building West as affordable housing for a minimum term of 15 years operated in line with the NSW Ministerial Guidelines (which equates to approximately 46% of the development and 56 apartments). This delivers a minimum of over 300,000 nights of affordable housing. This approach ensures that a significant portion of the development will be allocated to affordable housing in the immediate term, while preserving our financial capacity to reinvest in future projects and maximise the long-term supply of affordable housing across New South Wales.

Impact of our Proposal

Our proposal exceeds the intentions of the local, state and federal government in relation to the provision of affordable housing. The table below illustrates that if Melaleuca is imposed with a 3% affordable housing requirement this results in 4 affordable housing apartments providing a total of 58,400 - 87,600 nights of housing depending on the economic life of the building. In contrast, our proposal of 56 apartments provides over 300,000 nights of housing in the first 15 years, and over 1 million nights of housing based on an economic life of 50 years.

	No. of Apartments	Nights of Housing: 15 years	Nights of Housing: In Perpetuity: 40 years	Nights of Housing: In Perpetuity: 60 years
CWH Proposal – 1 Building	56	300,000	NA	NA
TOD – 3%	4	21,900	58,400	87,600

Statutory Contributions

In relation to our proposal for Building West to be operated as affordable housing for a minimum of 15 years, we note that the Canterbury-Bankstown Local Infrastructure Contributions Plan 2022 (Part 1.3) exempts contributions for developments carried out by registered social housing providers. Under the NSW Ministerial Guidelines, City West Housing (CWH) qualifies as a registered provider, and Building West meets the criteria for exemption.

Furthermore, Building West delivers essential community infrastructure and is not intended for private market use. We respectfully request that Housing and Productivity Contributions (HPC) not be applied to this building, as doing so would materially impact the financial viability of the affordable housing component and reduce our capacity to reinvest in future projects.

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We acknowledge that Building East will be subject to Section 7.11 and HPC contributions, however, we understand that these will be assessed on a net basis taking into account the existing (market) dwellings on site, in accordance with the provisions of the 7.11 Plan.

Request

Accordingly, we respectfully request that the Minister,

- a) Exercises discretion under Clause 6.38 and does not impose a 3% affordable housing dedication in perpetuity on this project.
- b) Accepts City West Housing's proposal to dedicate the West Building as affordable housing for 15 years with a restriction on title.
- c) Refrains from imposing any additional affordable housing obligations beyond those proposed in our application
- d) Excludes Building West from any statutory contributions.

We believe this proposal offers a balanced and impactful solution that aligns with the TOD framework's intent while enabling long-term delivery of affordable housing. We would welcome the opportunity to meet with the Department to discuss this proposal further.

Yours faithfully,

A handwritten signature in blue ink, appearing to read 'Leonie King'.

Leonie King
CEO
City West Housing Pty Limited