SUBMISSION TO THE PRODUCTIVITY COMMISSION

Housing Supply Regulation — Public Inquiry

Submitted by

Australian Eco-living Organisations Network (AEON)

Australia's peak body for cooperative and regenerative living

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June 2026

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1 About the Submitter

Australian Eco-living Organisations Network (AEON) is a national peak body, recently established to represent and advocate on behalf of ecovillages, intentional communities, cohousing initiatives, land-sharing models, regenerative settlements and allied cooperative development initiatives across Australia. AEON brings together practitioners, communities, researchers and advocates who collectively represent a significant and growing sector of cooperative and regenerative housing and settlement development in Australia.

The organisation is formed in direct response to the sector's need for a unified national voice in policy, planning and regulatory reform conversations. AEON's foundational objectives include advocating for the planning, legal, regulatory and economic recognition of cooperative models as legitimate and necessary forms of housing and social infrastructure and promoting neighbourhood-scale regenerative development as a meaningful response to Australia's interconnected housing, social and environmental challenges. AEON's objectives also include developing and managing an accreditation and certification framework for cooperative and regenerative communities — establishing common standards for governance, environmental performance, and social outcomes across the sector. This framework will provide the evidence base and sector credibility that government needs to engage with cooperative housing models as a defined, accountable, and quality-assured category of housing delivery, rather than as a collection of individual and idiosyncratic projects.

This submission reflects the expertise, experience and collective knowledge of the founding membership and the broader sector it is constituted to serve.

2 Executive Summary

This submission addresses all three areas of the inquiry scope identified in the Treasurer's terms of reference and identifies two constitutional pathways through which the Commonwealth could enact enabling federal legislation to support nationally consistent reform.

The sector AEON represents — ecovillages, intentional communities, cohousing, land-sharing communities, and regenerative settlements — is a substantial, nationally distributed, and decades-old contributor to Australia's housing diversity. It is currently suppressed, not by lack of demand or capability, but by regulatory frameworks that do not recognise it. The core argument of this submission is straightforward: cooperative regenerative settlements are a legitimate, tested, and scalable housing model. The principal barrier to the growth of this sector is that the planning system has no land use terminology defining the concept — and without this, there is no approval pathway, no bankable development, and no housing supply.

The eight case studies in Section 5 illustrate this barrier across different states, typologies and stages of development — from established ecovillages in WA, NSW, QLD, SA and Victoria, to emerging cooperative settlements in regional NSW. They reveal six consistent systemic failures: the absence of planning definitions and approval pathways; disproportionate regulation of community-scale energy and water systems; tenure fragility; finance exclusion; and a lack of council capacity to engage with cooperative models. Section 6 draws on the governance and land stewardship knowledge of First Nations communities as both a parallel experience of these barriers and a source of expertise the sector can learn from.

The submission makes the following key points against each inquiry area:

- **Approval processes:** Cooperative regenerative settlements have no defined place in state planning instruments. The absence of agreed typologies and land use terms cascades into the absence of approval pathways, making these developments effectively unbuildable through normal channels. This is not a problem that requires starting from scratch. A tested, publicly available planning framework already exists — developed with NSW Government funding and unanimously endorsed by Bellingen Shire Council in 2022. The challenge is not to develop a solution; it is to review what has already been done and implement it consistently.
- **Availability and use of land:** Because regenerative village developments incorporate their own energy and water infrastructure, they are not constrained by the capacity or proximity of existing infrastructure networks. This increases the pool of developable land, complementing conventional housing delivery without requiring public investment in network extension.
- **Infrastructure delivery frameworks:** Regenerative settlements invert the conventional infrastructure model. Rather than infrastructure being a precondition for development, it is delivered as an integral part of it — owned and operated by the community as a collective asset. This is a fundamentally more efficient approach to delivering enabling infrastructure for housing, particularly for regional, rural and remote settings.
- **Enabling federal legislation:** Two constitutional pathways are available to the Commonwealth: the intergovernmental uniform legislation model, as used for the Cooperatives National Law; and legislation under the external affairs power (s 51(xxix)) grounded in Australia's Paris Agreement obligations. These approaches are complementary and could proceed in parallel.

The eleven recommendations in Section 3 are designed to be sequenced and cumulative: agreed definitions and planning pathways unlock approval certainty; infrastructure reform enables self-sufficient settlement; tenure and finance guidance unlocks access to capital; regularisation protects existing communities; a national demonstration program generates the evidence base for scaling; a First Nations Taskforce ensures reform is developed in genuine partnership; and enabling federal legislation provides the constitutional architecture to make national consistency achievable and durable.

3 Recommendations

AEON makes the following eleven recommendations to the Productivity Commission.

Recommendation 1 — Recognise cooperative and regenerative housing as a defined housing typology in planning instruments

The Commission should recommend that the Australian Government, working through the National Housing Supply and Affordability Council and in collaboration with state and territory planning ministers, develop and adopt agreed definitions for cooperative and regenerative community settlement typologies — including terms equivalent to regenerative village and cohousing development — for incorporation into state and territory planning instruments.

Definitions should be accompanied by clear criteria distinguishing these typologies from conventional subdivision and Community Title development, so that assessment authorities can engage with cooperative models on their own terms rather than defaulting to subdivision standards that are inappropriate to collective land stewardship arrangements.

Recommendation 2 — Remove unnecessary planning and regulatory barriers through adoption of nationally consistent development standards and approval pathways

The Commission should recommend that state and territory governments, guided by nationally consistent policy developed through the Housing Ministers' Meeting or equivalent, incorporate enabling provisions for cooperative and regenerative settlement typologies into their planning frameworks. This should include:

- **Zone permissibility:** Regenerative village and cohousing typologies should be permissible across a wide range of land use zones — including rural, low-density residential, village, environmental living, and cognate zone categories — reflecting the diversity of settings in which cooperative settlements are established and the fact that these models are appropriate in both greenfield rural-fringe and urban infill contexts. No single zone should be the default; permissibility should be determined through locality planning processes that assess site suitability against agreed criteria.
- **Development standards and pathways:** Development standards, design controls, and consent pathways appropriate to each typology and setting should accompany zone permissibility provisions, providing the approval certainty that is currently absent. The Bellingen planning framework, endorsed unanimously by Bellingen Shire Council in 2022, provides a ready template for greenfield rural-fringe settings. A comparable framework for urban infill settings should be developed in parallel.
- **Expansion and refinement of Rural Landsharing policy in NSW:** Schedule 5 — Rural Landsharing of the Primary Production and Rural Development SEPP should be expanded, refined, and supported with clear guidance to councils on its implementation, recognising its fifty-year track record as an effective framework for affordable rural cooperative housing.

Recommendation 3 — Reform infrastructure regulation to support community-scale energy and water systems

The Commission should recommend that the Australian Government, working with state and territory energy and water regulators, review and reform the regulatory frameworks governing community-managed energy microgrids and water systems to ensure they are proportionate and accessible for community-scale cooperative developments.

As demonstrated by Narara Ecovillage's experience, the current regulatory frameworks for energy microgrids and water licensing are designed for large-scale utility providers and impose disproportionate cost, complexity, and compliance burden on community-scale systems. Specific reforms should include:

- **Define 'community microgrid' in the National Electricity Law.** Introduce a formal definition of a 'community microgrid' — a shared renewable energy network owned and operated by a community organisation (cooperative, body corporate, land trust or similar) for the primary benefit of residents — and establish a tailored regulatory framework accordingly**.**
- **Streamlined licensing pathways** for embedded network operators in cooperative residential developments, with compliance requirements scaled to system size and community governance structures.
- **Recognition of community-managed water systems** as a legitimate basis for development approval where systems meet appropriate public health standards, without requiring compliance with standards designed for large reticulated networks.
- **Guidance from the Australian Energy Regulator** and relevant state water authorities on compliant structures for community cooperative energy and water management.
- **Eligibility of community cooperative energy and water infrastructure** for relevant federal funding programs including ARENA and the Clean Energy Finance Corporation.

Recommendation 4 — Recognition that infrastructure self-sufficiency expands the availability of land for housing

The Commission should recommend that the Australian Government, through the National Housing Finance and Investment Corporation and in guidance to state planning ministers, establish a formal policy position that land is 'available for housing' for the purposes of housing supply targets and reporting where a proposed development incorporates its own compliant energy and water infrastructure — regardless of proximity to existing network connections.

As argued in Section 7.2, the conventional equation of land availability with network proximity excludes large areas of physically suitable land from the housing supply equation. Cooperative and regenerative settlement models that incorporate self-sufficient energy and water systems are not constrained by grid capacity or reticulation reach. Recognising this formally would expand the effective housing land supply — particularly in regional, rural, and remote areas — at no public cost and without requiring investment in network extension. It would also allow cooperative and regenerative settlement developments to count toward National Housing Accord targets on a consistent and transparent basis.

Recommendation 5 — Reform of tenure and finance frameworks to support collective and cooperative ownership models

The Commission should recommend that the Australian Government, through Treasury and the National Housing Finance and Investment Corporation, develop guidance on the full spectrum of cooperative and collective tenure structures available for cooperative housing — including Community Title, cooperative share structures, Community Land Trusts, and build-to-rent-to-own models — clarifying how residents of cooperative developments can build non-speculative equity without conventional mortgage products, and how community cooperatives can access development finance against regenerative settlement assets.

Guidance should specifically address the treatment of cooperative shares relating to homesites as security for lending purposes, drawing on the experience of projects such as Afterlee Ecovillage where financial institutions have been unable to recognise share-based equity. The Australian Prudential Regulation Authority and ASIC should be engaged to develop appropriate guidance for lenders on assessing risk in cooperative housing structures.

Recommendation 6 — Recognition and regularisation of existing communities

The Commission should recommend that state and territory governments identify cooperative and regenerative settlements operating without a clear or secure statutory approval framework and establish a pathway to regularise their status within the new typology framework, without imposing development standards that did not apply at the time of establishment.

Many such communities — operating under Multiple Occupancy approvals, older consent orders, or informal arrangements — provide genuinely affordable and ecologically responsible housing, but face ongoing legal uncertainty that inhibits maintenance, succession, and long-term planning. A grandfathering mechanism providing a clear statutory basis for continued operation would resolve this at modest cost and effort. Any such mechanism should be designed in genuine consultation with affected communities and AEON.

Recommendation 7 — Support a national demonstration program for cooperative and regenerative settlements

The Commission should recommend that the Australian Government fund a National Regenerative Settlement Demonstration Program, supporting the development of a small number of well-resourced pilot projects across different geographic, climatic, and tenure contexts — including regional, rural, remote, and urban settings. The purpose of the program is to test, refine, and publicly document what cooperative and regenerative settlement models can achieve when the regulatory barriers identified in this submission are removed, generating evidence that can directly inform national planning policy development.

At least one pilot project should be developed in genuine partnership with a First Nations community and governed in accordance with Indigenous community-controlled housing principles. At least one pilot should demonstrate the urban infill model, providing evidence for the development of planning frameworks for cooperative ecological housing in metropolitan settings. Pilot projects should be selected through a competitive process administered with AEON's involvement, and evaluation findings should feed into the sector mapping work being undertaken by AEON and into the review of planning frameworks arising from Recommendation 2.

Recommendation 8 — Establish a First Nations Cooperative Housing Taskforce

The Commission should recommend that the Australian Government establish a dedicated First Nations Cooperative Housing Taskforce, co-designed and co-led by Aboriginal and Torres Strait Islander housing organisations, to develop policy recommendations for removing the planning, tenure, finance, and governance barriers that specifically affect Indigenous community-controlled housing and settlement development.

The Taskforce should operate under self-determination principles, with First Nations organisations in the lead and government agencies in a supporting role. Its scope should include: the intersection of native title, freehold, and cooperative tenure frameworks; barriers to community-controlled infrastructure management in remote and regional settings; the application of Indigenous land management knowledge and governance models to housing and settlement design; adoption of regenerative housing models as presented by AEON, and the relationship between cooperative settlement and the broader policy goals of Closing the Gap. Findings should inform the design of the First Nations pilot project under Recommendation 7 and feed into the national planning framework development process. The Taskforce should report within two years of establishment.

Recommendation 9 — Federal leadership on enabling legislation and sector engagement

The Commission should recommend that the Australian Government pursue enabling federal legislation to support nationally consistent planning recognition of cooperative and regenerative settlement, through one or both of the constitutional pathways identified in Section 8: the intergovernmental uniform legislation model (as used for the Cooperatives National Law), or Commonwealth legislation under the external affairs power grounded in Australia's Paris Agreement obligations. The two approaches are complementary and could proceed in parallel.

AEON should be engaged as a formal stakeholder in housing supply and planning reform processes at the federal level, including in the development of nationally consistent planning definitions arising from Recommendation 1, in the governance of the demonstration program under Recommendation 7, and in consultations with First Nations organisations arising from Recommendation 8.

Recommendation 10 — Support modern methods of construction for regional cooperative housing

The Commission should recommend that the Australian Government incorporate a dedicated modern methods of construction (MMC) stream into the National Regenerative Settlement Demonstration Program (Recommendation 7), specifically to pilot and document the use of prefabricated housing in regenerative village settings.

A pipeline of regenerative village projects developed to consistent planning and performance standards would provide the sustained, repeatable demand that makes factory-based prefabrication economically viable. Prefabricated construction is particularly well-suited to regional settings — where on-site construction costs are high, skilled labour is scarce, and supply chains are long — and to the high energy performance standards that regenerative villages require. Demonstration projects should be designed to generate the documented evidence base and supply chain capacity needed to scale prefabricated construction for regional cooperative housing across Australia.

- **Align MMC incentives and funding programs** with cooperative and regenerative village development models, ensuring that prefabrication incentives are available to community cooperatives and not limited to large commercial developers.
- **Develop performance specifications** for prefabricated dwellings suitable for regenerative village settings, drawing on the design standards developed in the Bellingen planning framework and the demonstrated performance of projects such as The Cape and Narara Ecovillage.
- **Commission research** into the potential scale of demand for prefabricated housing across a national regenerative village program, to inform investment decisions by the prefabrication industry and government funding bodies.

Recommendation 11 — Fund AEON to build sector capacity, knowledge and engagement

The Commission should recommend that the Australian Government provide foundational funding to AEON to enable it to fulfil its role as the national peak body for cooperative and regenerative housing. The reforms identified in this submission require not only regulatory change but sector development: communities, practitioners, councils and policymakers need access to information, guidance, case studies, and peer networks to build the understanding and capability needed to make a nationally consistent planning framework work in practice.

Foundational funding should support:

- **Sector mapping and evidence base development** — a comprehensive national database of cooperative and regenerative housing projects, documenting typologies, tenure structures, planning and approval experiences, and housing supply outcomes, to inform policy development and public understanding.
- **A national knowledge bank** — a publicly accessible repository of planning frameworks, design guides, tenure models, finance structures, and case studies, enabling communities and practitioners to learn from and build on existing experience without repeating the costly navigation that current projects must undertake.
- **Sector engagement and capability building** — programs, events, resources and professional development to build understanding and capacity among communities, local government, planning practitioners, financiers, and policymakers.
- **Policy engagement and advocacy** — sustained engagement with federal, state and local government on the implementation of the reforms identified in this submission, including participation in the planning framework review process arising from Recommendation 1 and the governance of the demonstration program arising from Recommendation 7.

Without an adequately resourced peak body, the regulatory reforms identified in this submission risk being implemented inconsistently, without the sector knowledge and community voice needed to make them effective. AEON is the appropriate organisation to play this role, and foundational government funding is the appropriate means of enabling it to do so.

4 The Sector: Scale, Diversity and Legitimacy

Australia has a substantial and growing sector of cooperative and regenerative housing development that remains largely invisible to national housing policy. It encompasses ecovillages, cohousing developments, intentional communities, rural land-sharing communities, land trust models, cooperative housing schemes, and integrated regenerative settlements — diverse in form but united by a common organising principle: housing conceived and delivered as a community system, not as a collection of individual homes.

The sector delivers outcomes that conventional housing markets structurally cannot: affordability through shared infrastructure and cooperative ownership; social connection and reduced isolation; ecological performance through integrated water, energy and waste systems; and resilience in the face of climate and disaster events. These are not incidental benefits — they are designed-in features of cooperative models.

The ecovillage movement in Australia is at least fifty years old, with communities established in every state and territory. The case studies in Section 5 illustrate the diversity of this sector: Witchcliffe Ecovillage near Margaret River in Western Australia; Narara Ecovillage on the NSW Central Coast; Christie Walk, a 27-dwelling urban cohousing project in central Adelaide; Aldinga Arts Ecovillage south of Adelaide with 170 residential lots; The Cape at Cape Paterson in Victoria; and the Northern Rivers Multiple Occupancy communities in NSW, including the emerging Afterlee Ecovillage in Kyogle Shire. Beyond these, established projects include Crystal Waters Ecovillage and Currumbin Ecovillage in Queensland, Moora Moora cooperative community in the Yarra Ranges (operating since 1974), and Murundaka Cohousing Community in Melbourne. In NSW alone, State Environmental Planning Policy No. 15 saw over 150 intentional communities established over almost thirty years, most of them on rural land in the Northern Rivers. These are not experiments — they are functioning communities, some now into their second generation of residents.

AEON recognises that its own sector mapping is at an early stage and commits to developing a comprehensive national evidence base as a priority activity. The communities named above are illustrative, not exhaustive. AEON's current database includes over 1,330 communities nationwide. Anecdotal evidence and the general knowledge of AEON members indicates however, that significant housing supply capacity could be unlocked if there were a nationally consistent planning pathway and financing framework for cooperative housing models. This reflects both the latent demand in the broader community for cooperative and regenerative living, and the potential for upscaling and replicating existing projects that are currently constrained by the regulatory barriers identified in this submission.

Internationally, cooperative housing models are mainstream in Denmark, the Netherlands, Germany and Austria, contributing meaningfully to housing supply, social cohesion, and climate resilience. The ecovillage sector is substantial, mature and globally distributed. The Global Ecovillage Network (GEN) holds UN consultative status and explicitly frames ecovillages as practical, community-led pathways for achieving the Sustainable Development Goals and the commitments made under the Paris Climate Agreement. The evidence base is strong: 97% of ecovillages actively restore degraded ecosystems, 90% undertake carbon-sequestration practices through soil and biomass management, and 97% work to restore water sources and cycles. Through regenerative agriculture, reforestation, integrated water systems and community-owned renewable energy, ecovillages demonstrate measurable contributions to carbon drawdown, biodiversity recovery and climate resilience.

This international context demonstrates that cooperative regenerative settlements are not fringe alternatives but a recognised, evidence-based and globally deployed model of sustainable housing and settlement. Australia has the communities, the experience, the land, and the demonstrated demand to scale this sector — what it lacks is the regulatory recognition to do so.

5 Case Studies: Common Barriers Across Different Contexts

The following case studies illustrate the regulatory and structural barriers facing cooperative housing development across different states and contexts. They are not an exhaustive national picture — AEON commits to developing a more comprehensive evidence base through its sector mapping program. They are presented to demonstrate that the barriers summarised at the end of this section are consistent, national, and experienced by communities across different jurisdictions, typologies and stages of development.

5.1 Witchcliffe Ecovillage, Western Australia

Witchcliffe Ecovillage is a 120-hectare regenerative development near Margaret River, planned to house around 700 residents in a series of clustered neighbourhoods built around community gardens, shared open space and local food production. The project is designed to be 100 per cent self-sufficient in renewable energy and rainwater, with all homes required to meet minimum 8-star NatHERS performance and undergo full lifecycle carbon assessment. It is one of the most ambitious sustainability-led residential projects in Australia. Despite the founders' extensive experience and strong support from the local council and state agencies, the project required more than a decade to secure planning approvals. AHURI research attributes this to the unique nature of the development and its departure from mainstream suburban models, which resulted in time-consuming assessment processes and escalating costs. The project required a bespoke Scheme Amendment, a Structure Plan, and site-specific Local Development Plans imposing higher sustainability provisions than those in the Local Planning Scheme, State Planning Policy 7.3 and the National Construction Code. To ensure alignment with the project's sustainability objectives, every dwelling must undergo a dedicated design review and approval process, including mandatory mid- and post-construction inspections. While these mechanisms support high performance, they also illustrate the additional regulatory burden placed on regenerative developments compared with conventional subdivisions. Witchcliffe demonstrates what is possible when sustainability is embedded at the outset — and simultaneously highlights the systemic barriers faced by such projects: the absence of a recognised planning pathway, the need for bespoke instruments, and the significant time and cost imposed by assessment processes not designed for innovative, community-scale, net-zero neighbourhoods.

5.2 Narara Ecovillage, New South Wales

Narara Ecovillage on the NSW Central Coast has successfully delivered over 75 of the 110 lots subdivided so far through a multi-stage planning and development approval process. It demonstrates what is achievable when a community has the resources, persistence, and professional capacity to navigate a complex approval process. It also illustrates the significant cost of that navigation: years of planning, multiple consent stages, and significant legal and professional fees that would be substantially reduced if a clear, nationally consistent approval pathway existed.

Narara's experience with energy infrastructure is particularly instructive. The community secured a $1.2 million grant from ARENA to develop a community smart grid — covering around 40 per cent of its cost — and installed resilient underground cable infrastructure throughout the village. A private company was established to operate as the embedded

network retailer. It manages a 440 kWh community battery, powered by solar panels that are required on all homes under the village's high-performance building standards. The regulatory environment for embedded networks is, however, strict and costly: specialist consultants and a high-voltage electrician are required at every stage, and the regulatory framework is not designed with community-scale innovation in mind. The technology and expertise exist; the regulatory pathway to deploy them at village scale does not easily accommodate them.

A comparable challenge arose with water. The village sought to supply and treat its own water, installing its own reticulation infrastructure, but was ultimately able to obtain only a Water Industry Competition Act (WICA) licence to supply water sourced from the council network. Authorities required a rigorous treatment system meeting standards designed for large-scale utilities not a community-scale system. This created disproportionate cost and complexity. In both the energy and water cases, the barrier was not technical capability but a regulatory framework built for conventional, large-scale infrastructure providers that struggles to engage constructively with community-led innovation at the village scale.

5.3 Christie Walk, South Australia

In the heart of Adelaide there is a small community of 27 homes and gardens on 2,000 square metres — half an acre. Christie Walk was initiated by Urban Ecology Australia in 1999 as a demonstration project, to promote nature-friendly and people-friendly urban development by example. Construction was completed in December 2006. The project is funded privately through ethical banks and personal savings, with house prices kept similar to local market rates. Residents share ownership of community spaces and manage the site themselves. Fuel and energy costs are 50–90 per cent lower than average, and the homes are designed to last 100 years. Christie Walk is significant in two respects for this submission. First, it demonstrates that cooperative ecological housing is viable in the most urban of settings — a city-centre infill site, high-density, multi-building, and mixed tenure. Second, despite its pioneering status, Christie Walk faced challenges in securing financing and approvals due to perceptions of higher risk — a direct consequence of the absence of any recognised planning category for what it was proposing. The project succeeded through the extraordinary persistence of its founders and the advocacy skills of its architect. It should not have required either.

5.4 Aldinga Arts Ecovillage, South Australia

Aldinga Arts Eco Village is home to over 350 people of all ages and backgrounds. It is structured as a community corporation under South Australia's Community Titles Act, with each of the owners of the 170 residential and 11 commercial lots holding title to their own property, while also sharing ownership of common lands, which make up around 60 per cent of the area of the village and include an organic farm. After fifteen years of planning and organising — with a number of twists and turns along the way — the Village came to fruition, having been incorporated in 2001 with building commencing the following year. The Aldinga experience illustrates the tenure dimension of the regulatory barrier clearly. The community corporation structure under South Australia's Community Titles legislation provided the legal vehicle that ultimately enabled the project — but finding and navigating that vehicle required fifteen years of effort, specialist legal advice, and significant cost. The village now functions as a thriving, self-managing community with shared infrastructure, productive land, and genuine affordability — outcomes that a national planning framework for regenerative community settlement could deliver far more efficiently and at far greater scale.

5.5 The Cape, Victoria

The Cape, at Cape Paterson on Victoria's Bass Coast 140 kilometres south-east of Melbourne, is 40 hectare degraded farm that was master-planned for around 230 homes

with more than 50 per cent open space. It was funded by social equity and impact investment finance and developed by an ecological restoration organisation to regenerate the land. Rezoning and development approvals took around ten years, as the proposal involved sustainability measures that were unfamiliar to council and had no established planning pathway. Although the project eventually received State Government approval in 2011, the first home was not completed until four years later. AHURI research notes that the project faced early resistance — including initial lack of council support, community opposition and delays that created significant financial strain, with the development nearly failing several times. A mandatory design review panel was established to ensure compliance with the project's high sustainability standards, which were considered ahead of their time. The project broke new ground when its high eco-standards were written into the local planning scheme. These requirements were formalised in the Bass Coast Planning Scheme through a Comprehensive Development Plan Incorporated Document (April 2011), which embedded site-specific sustainability controls into the planning framework. The controls set mandatory outcomes for all 220 homes, including passive solar orientation, a minimum 7.5-star NatHERS rating, at least 2.5 kW of solar PV and 10,000 L of rainwater storage, and were implemented on the ground through developer mechanisms such as design guidelines, pre-designed house packages and contractual requirements.

The Cape is a significant precedent precisely because it demonstrates what is achievable when the best of modern technology and practice is embedded in planning controls — but it also illustrates the systemic problem: embedding those standards required a decade of negotiation, a bespoke planning scheme amendment, and the determination of a single developer who refused to accept that good design was incompatible with planning approval. The Cape was awarded the Victorian Premier's Sustainability Design Award in 2012 — recognition of genuine innovation that, in a well-functioning planning system, should be the norm rather than the exception.

5.6 Northern Rivers Multiple Occupancy communities, New South Wales

The Northern Rivers region of NSW is home to the largest concentration of rural landsharing communities in Australia, with between 150 and 200 Multiple Occupancy approvals established over fifty years. Communities including Bundagen, Tuntable Falls, and many others have provided affordable, ecologically sensitive, and community-governed housing for generations of residents on marginal rural land. They represent a living, fifty-year record of what collectively managed settlements can achieve.

Despite this record, the tenure form faces ongoing regulatory fragility. Schedule 5 – Rural Landsharing of the State Environmental Planning Policy - Primary Production and Rural Development (Formerly SEPP 15), the state policy that has enabled Multiple Occupancy development across NSW for almost thirty years, is slowly being removed from many councils. The policy is not seriously considered as a housing alternative by councils looking for housing solutions to the housing crisis that are affordable, cooperative and regenerative. Lismore and Byron Councils, however, have embraced this form of housing which has created vibrant affordable ecological housing within their Shires but are encouraging Community Title development as a preferred tenure model.

In response to this uncertainty, a substantial number of existing Multiple Occupancies have undertaken the challenging and costly process of converting to Community Title, a process that in some cases took up to thirteen years. The tenure and conversion experience of these communities raises broader questions about which tenure frameworks best serve collective and affordable housing — questions examined in Section 7.4.

5.7 Afterlee Ecovillage, New South Wales

Afterlee Ecovillage is an ambitious new ecovillage project within the Kyogle Shire, developed under Schedule 5 – Rural Landsharing of the State Environmental Planning Policy (SEPP) to provide 65 homesites on a 700-acre parcel of land. The land and the ecovillage are owned and managed by the Healthy Living Community Cooperative Ltd, and the project was created and guided by Planning Regenerative Communities Pty Ltd to ensure it was professionally developed and approved.

The site includes an existing primary school (now transferred to the cooperative) and the local Rural Fire Service brigade and therefore seeks to recreate an old-style village in a rural area experiencing declining population and services. The ecovillage provides affordable homesites through cooperative shares and is working with members to deliver affordable housing solutions within a regenerative village context. It is the first Multiple Occupancy in NSW to provide a designated 'village area' of smaller, more affordable, concentrated homesites.

The ecovillage offers significant benefits to the local area and demonstrates the potential of this housing model to address rural housing supply, including:

- **Affordable housing supply** – homesites delivered at well below market cost through the cooperative share structure, in a region with acute housing shortage and affordability pressures.
- **Revitalisation of rural services** – retention and reactivation of the existing primary school and support for the local Rural Fire Service, reversing the decline of services in a depopulating rural locality.
- **Regenerative agriculture and food production** – productive land management providing food security benefits to members and the broader community.
- **Community facilities** – planned services such as a café open to the wider district, recreating the social and economic functions of a traditional rural village.
- **Environmental protection** – active protection and regeneration of large areas of forest and riparian zones that were previously unmanaged, delivering biodiversity and catchment outcomes at no cost to government.

Despite its professional preparation and clear public benefits, the project has encountered substantial regulatory and policy barriers that have delayed delivery, increased costs and directly undermined affordability for members:

- **Lack of access to finance** – as discussed above, mainstream lenders do not recognise cooperative and Multiple Occupancy structures, severely constraining both project and member finance.
- **Council assessment treating Multiple Occupancy as subdivision** – the consent authority did not understand the differences between Multiple Occupancy and community or freehold title. Approval conditions assumed subdivision when no subdivision is proposed or intended. These onerous conditions were neither necessary nor proportionate to the actual form of development.
- **No fast-track or collaborative approval pathway** – the absence of any willingness by council to work with the cooperative on efficient approval processes delayed the project significantly. Every delay increased development costs, which flowed directly through to members and eroded the affordability that is the core purpose of the project.
- **Non-recognition as affordable housing** – despite delivering genuinely affordable homesites, the project was not acknowledged or assessed as an affordable housing project, and the cooperative was not engaged by council to work on solutions, notwithstanding its professional application and organisational processes.

A further significant barrier arose when the cooperative sought to implement a cooperatively owned, off-grid energy microgrid to power more than 29 dwellings in the village area – a logical, efficient and resilient energy solution for a clustered rural settlement of this kind. The

microgrid had to be abandoned as cost prohibitive, for reasons that relate solely to the absence of reasonable federal policy settings, including:

- **No recognition of cooperatively owned microgrids** – there is no clear definition or recognition in federal energy policy, nor any incentive frameworks for a cooperatively owned microgrid serving multiple dwellings. The model simply does not exist in the eyes of the regulatory system.
- **Incentives structured around individual dwellings** – all available rebates and incentives are designed for standalone systems on individual dwellings, or for grid-connected installations. Off-grid community-scale microgrids fall entirely outside these frameworks.
- **Perverse outcomes** – the cooperative could not access support equivalent to what 29 separate households installing 29 separate systems would have received, even though the microgrid would have delivered superior outcomes in cost-efficiency, land use, resilience and emissions. The policy settings actively reward duplication and penalise the more efficient collective solution.

As a result, the microgrid was abandoned and the village must instead default to duplicated individual systems – a poorer outcome for affordability, sustainability and resilience alike.

This experience demonstrates that energy policy, like planning and finance policy, is constructed around the model of the individual freehold dwelling and fails to recognise collective and cooperative ownership structures.

The barriers experienced at Afterlee across planning assessment, finance and energy infrastructure all stem from a common root cause: the general absence of clear standards, definitions and recognition for cooperative and Multiple Occupancy housing projects across all levels of government. A professionally developed project delivering affordable housing, rural service revitalisation and environmental regeneration should be supported by the regulatory system – instead, at every turn, it has been delayed, cost-burdened or excluded by frameworks that simply do not contemplate its existence.

The Afterlee experience illustrates two specific failures that national reform should address: the absence of a finance pathway for cooperative share-based equity, and the tendency of assessment authorities to treat unfamiliar tenure arrangements as though they were conventional subdivision. Both failures are consequences of the definitional and policy gaps identified in Section 7 — and both are amenable to the solutions this submission proposes.

5.8 Currumbin Ecovillage, Queensland

The Ecovillage at Currumbin is a 144-lot, 110-hectare sustainable community in the Gold Coast hinterland, home to approximately 450 residents and widely recognised for its environmental performance, including receiving the 2008 FIABCI Prix d'Excellence for the world's best environmental development. It has received over 32 other accolades making it one of the most awarded property developments in Australia suggesting we can learn a lot from it. Its delivery required navigating a planning and regulatory system with no established pathway for a decentralised, regenerative settlement of this kind.

A defining feature is its integrated land-use structure: 50% of the estate is protected as environmental reserve, 30% is open space for recreation and horticulture, and 20% is zoned for housing, arranged into small neighbourhood clusters known as ecohamlets. This diverged sharply from conventional suburban planning norms and required bespoke planning precincts, lot-level siting controls and estate-specific design instruments as part of the Development Approval.

Central to built-form governance is the Architectural and Landscape Code (ALC), a legally binding document under the Queensland Body Corporate and Community Management Act.

The ALC forms part of the Development Approval and regulates building footprint, siting, orientation, materials, environmental performance and landscape design through a structured design review process. It was necessary because no existing planning instrument could accommodate the project's sustainability objectives or neighbourhood structure.

The Ecovillage employs a fully decentralised water and wastewater system. Rainwater is the primary potable water source, with every detached dwelling required to install a minimum 30kL of storage. Wastewater is treated on-site, which also enables the estate to reuse its recycled water supplied for toilet flushing and irrigation. It is recognised as the first Australian demonstration that an urban residential development can be entirely 'off-the-grid' for water, including safe potable rainwater use. These systems were approved under Queensland's water and wastewater regulatory frameworks, which are primarily designed for large utilities rather than community-scale developments.

Currumbin demonstrates that high-performance regenerative settlements are technically feasible and capable of meeting stringent environmental, water and design standards. It also illustrates systemic barriers: planning instruments that lack recognised categories for community-led integrated development; regulatory frameworks calibrated to conventional utility models; and the resulting need for resource-intensive, project-specific approvals. Numerous studies of the estate have been completed with a 2012 University of Sydney study showing the Ecovillage homes use 75% less energy than contemporary estates whilst reporting much higher quality of life satisfaction levels.

Common barriers: what the case studies tell us

Planning definitions and approval pathways. Every project in this section has had to navigate a planning system with no recognised category for what it is proposing. Witchcliffe required a decade of bespoke scheme amendments. Narara required multiple staged consent processes. The Cape required a bespoke planning scheme amendment negotiated over ten years. Currumbin likewise required bespoke planning controls because no existing instrument could accommodate a regenerative neighbourhood. Christie Walk faced lender reluctance rooted in planning uncertainty. None of this was necessary. All of it was a consequence of the absence of a defined, permissible use category for community-led integrated settlement.

Community-scale micro-grids. The experiences of Narara and Afterlee demonstrate that community-scale renewable energy infrastructure — smart grids, community batteries, embedded networks — is technically achievable and financially viable with appropriate support. The barrier is not technology; it is a regulatory framework designed for large-scale utility providers that imposes disproportionate cost and complexity on community-scale innovation.

Community-scale water systems. Narara's water licensing experience illustrates that nature-based and community-managed water systems face regulatory standards calibrated for conventional reticulated supply. Currumbin also required regulatory approval for its decentralised rainwater-based water supply, which sat outside conventional reticulated standards. Community-scale water innovation is available; the regulatory pathway to deploy it is not.

Tenure fragility and conversion costs. The Northern Rivers MO communities demonstrate that collective tenure models — even those with fifty-year track records of success — remain vulnerable to planning policy withdrawal and face costly, time-consuming conversion processes when regulatory frameworks shift around them. Afterlee shows that even professionally organised new MO development continues to face these structural barriers.

Finance exclusion. Across multiple case studies — Christie Walk, Afterlee, and the Northern Rivers MOs — the absence of recognised tenure pathways or planning

certainty translates directly into the unavailability of development finance and individual mortgage products. Lenders cannot assess risk for projects the planning system does not recognise.

Council capacity and engagement. Afterlee's experience highlights a further dimension: even where a legal pathway exists, local councils may lack the experience, guidance, or institutional disposition to engage constructively with cooperative and regenerative development models. National reform must address not only the regulatory framework but the capability and guidance available to assessment authorities.

6 Indigenous Housing and Cooperative Settlements: Shared Principles

Any submission that addresses cooperative housing models would be incomplete without acknowledging the deep connection between those models and the housing traditions and knowledge systems of Aboriginal and Torres Strait Islander peoples. Aboriginal and Torres Strait Islander people have been practising community-controlled, collectively governed, and Country-centred settlement for tens of thousands of years. The values that define the best contemporary cooperative housing models — collective stewardship of land, shared management of resources, participatory governance, intergenerational responsibility, and deep connection between people and place — are not innovations. They are reflections, however partial, of principles that First Nations communities have embodied and defended across this continent for the entirety of human settlement in Australia.

This submission does not propose to speak on behalf of First Nations communities, whose housing needs, aspirations, and governance structures are properly for them to define and advocate. AEON is committed to engaging respectfully with First Nations organisations, communities, and knowledge holders as it develops its sector framework, and recognises that any nationally consistent approach to cooperative settlement must be developed in genuine consultation with Aboriginal and Torres Strait Islander peoples — particularly in relation to land access, cultural heritage, and the relationship between housing and Country.

What this section does propose is a framing shift. Community-controlled Indigenous housing is not a special category requiring special treatment. It is the most developed and longest-tested form of the cooperative, collectively governed housing model that this submission advocates for across the broader sector. The policy lessons flow both ways: the planning, tenure, and finance barriers that prevent contemporary intentional communities and ecovillages from establishing and thriving are, in many respects, the same structural barriers that have frustrated community-controlled Indigenous housing for generations. And the governance models, ecological management practices, and place-based knowledge that Aboriginal and Torres Strait Islander communities bring to land stewardship are precisely the expertise that the broader cooperative housing sector needs to learn from. A national framework for cooperative settlement developed in genuine partnership with First Nations organisations would be more robust, more legitimate, and more likely to achieve lasting outcomes than one developed without that engagement. AEON commits to making this partnership a foundational element of its sector development work.

7 Cooperative Settlements and the Three Inquiry Areas

7.1 Approval processes

Australia's planning system currently provides no clear or consistent pathway for the development of cooperative and regenerative settlements. This section examines why — by explaining how a functioning planning framework for any housing typology works, describing the fragmented and geographically limited frameworks that currently exist in NSW, reviewing the complete framework developed for Bellingen Shire Council, and concluding with a proposal for a nationally consistent approach drawn from these foundations.

7.1.1 How a planning framework works: the essential elements

For any form of housing to be financeable, approvable, and buildable at scale, the planning system needs to provide a coherent set of interlocking elements. The absence of any one of these elements creates uncertainty that cascades through the entire development process. The elements are:

- **A defined land use term.** The planning dictionary must define the proposed development as a recognised land use category. Without a definition, the use cannot be listed in zone tables, cannot be assessed as permissible or prohibited, and cannot trigger known assessment pathways. The definition characterises what the development is and distinguishes it from other land uses. It is the necessary foundation for everything that follows.
- **A locality planning process.** Not all land is suitable for every type of development. For a new settlement typology, there needs to be a methodology — typically embedded in a council's housing strategy or local strategic planning statement — for identifying locations where the defined development could appropriately occur. This involves assessing such things as water availability, flood risk, biodiversity values, proximity to services, agricultural productivity, and other site-specific criteria.
- **Planning instrument provisions.** Once suitable locations are identified, the Planning instrument (Local Environmental Plan in NSW) must contain provisions that make the defined development permissible in those locations — with consent — and specify the principal assessment criteria or development standards. These set the *quantitative* parameters within which the development must be designed — dwelling density, setbacks, site coverage, minimum lot size, and so on. These provisions give a proponent the legal basis to lodge a development application and give the consent authority a defined pathway for assessing it.
- **Development controls.** Permissibility alone is not sufficient. Development controls in the accompanying Development Control Plan (in NSW) provide *qualitative* design guidance on such things as layout, built form, landscaping, amenity, and ecological management. Together, these instruments give proponents a framework within which good design can be tested and assessed, and give consent authorities a clear and defensible basis for decision-making.
- **Infrastructure planning requirements.** The planning framework must address what infrastructure the development must deliver itself, and what it must contribute toward beyond its boundaries. For cooperative regenerative settlements — which incorporate their own energy, water, and waste systems — this element is particularly significant. A Voluntary Planning Agreements policy setting out infrastructure delivery obligations as works-in-kind (rather than monetary contributions toward off-site networks) is an appropriate mechanism for this typology.

When all five of these elements are in place for a given typology, the result is what the planning system provides for established typologies like residential flat buildings: approval certainty, bankability, a recognised market, and a financing environment. The contrast with

the current situation for cooperative regenerative settlements is illustrated in the cascade diagram in **Figure 1** below, which shows how the absence of the foundational element — a defined land use term — disables the entire chain of enabling consequences that a planning framework would otherwise provide.

Without a defined land use term, there is no clear permissible use. Without a permissible use, there is no clear development application pathway. Without a clear pathway, there is no approval certainty. Without approval certainty, there is no bankable development. Without a bankable development, there is no finance. The barrier is not cost, community demand, or design quality — it is a regulatory land use definition problem that cascades into a finance problem and from there into a housing supply problem.

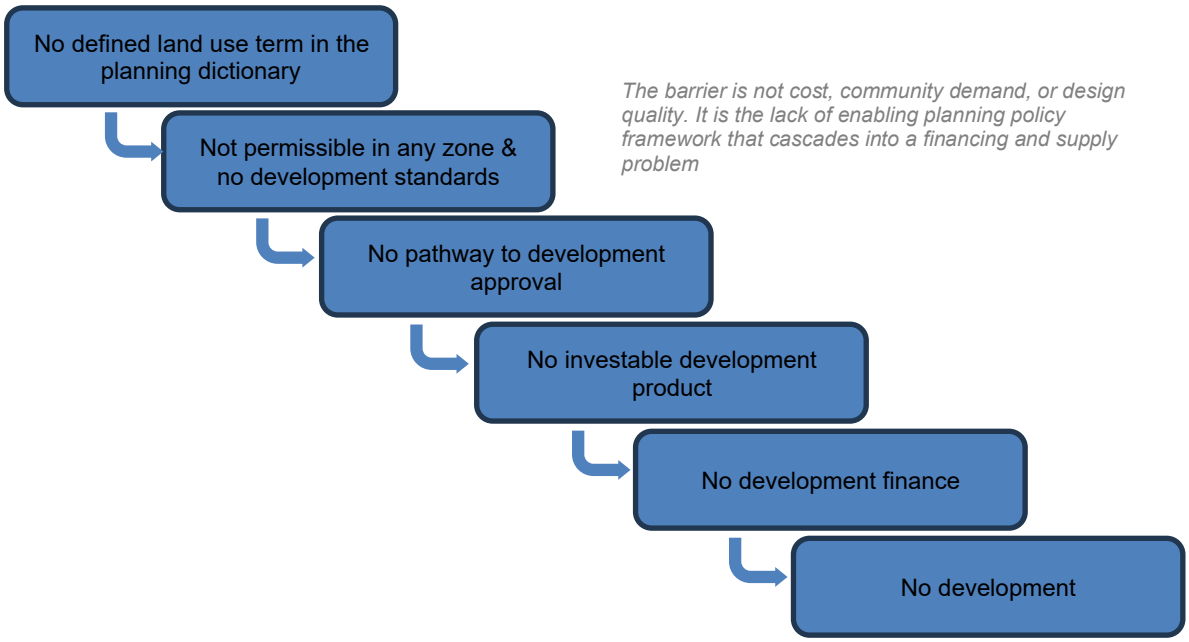

Figure 1 The regulatory barrier cascade facing co-operative regenerative settlements

7.1.2 The current NSW framework: Schedule 5 — Rural Land Sharing Communities

The closest approximation to a planning framework for cooperative rural settlement in NSW is Schedule 5 of the State Environmental Planning Policy (Primary Production) 2021 (formerly SEPP No. 15 — Rural Landsharing Communities). Schedule 5 aims to encourage and facilitate the development of rural land sharing communities committed to environmentally sensitive and sustainable land use practices. It enables people who collectively own a single lot to erect multiple dwellings on that lot without dividing it, facilitates the sharing of facilities and resources to allow communal rural living opportunities at lower cost, and seeks to create opportunities for population growth in areas experiencing rural decline.

'Rural land sharing community' is *not a defined term* in the NSW Standard Instrument planning dictionary or any local environmental plan. The phrase appears only within Schedule 5 itself as a descriptor, without the formal status of a dictionary definition. Nor is 'multiple occupancy' — the colloquial term commonly applied to these developments — defined anywhere in NSW planning instruments. Both are in wide practical use but exist in a statutory vacuum: they describe a form of development that the planning system facilitates in limited circumstances but has never formally named or defined.

Schedule 5 applies across rural zones in NSW but only in the council areas whose local environmental plans are listed in the Schedule. This list has been progressively narrowed

over time: many councils have been removed, and others have actively sought to discontinue it.

The development standards in Schedule 5 are minimal with the result that the framework is geographically fragmented, developmentally thin, and institutionally precarious. It enables a form of development that has a fifty-year track record of delivering affordable, ecologically responsible, and community-governed housing — but does so in a way that provides insufficient certainty to attract development finance, inadequate guidance to support consistent council assessment, and insufficient policy stability to support long-term community planning. It is, at best, a starting point.

7.1.3 The Byron Shire approach: a more detailed but local framework

Byron Shire Council has gone further than Schedule 5 alone. Byron Local Environmental Plan (LEP) 2014 provides a 'Multiple Occupancy and Community Title Map' delineating where 'multiple occupancy' developments are permitted, although no land use definition is provided. The most accurate characterisation of cooperative regenerative developments, as available in the dictionary of land uses, is 'multi dwelling housing'. Chapter D2 of the Byron Shire Development Control Plan 2014 contains a dedicated section on Multiple Occupancy development providing substantially more detailed guidance than Schedule 5, addressing dwelling siting and setbacks, ecological restoration requirements, vegetation management plans, on-site wastewater management, the protection of riparian and habitat areas, and infrastructure provision. The Byron DCP requires extensive ecological restoration as a condition of development, creating a positive environmental obligation that aligns with the regenerative intent of the sector.

The Byron framework applies only within Byron Shire. It cannot be referenced or relied upon by proponents in other council areas, and it does not extend to the full range of elements identified in Section 7.1.1: there is no locality planning methodology, no defined land use term in the planning dictionary, and no infrastructure delivery framework of the kind that a Voluntary Planning Agreements policy could provide.

The Byron DCP Multiple Occupancy provisions represent the most detailed existing planning framework for cooperative rural settlement in Australia and demonstrate that it is possible to write appropriate development controls for this typology within existing planning instruments. But their geographic limitation means they benefit only a small proportion of the sector, and their incompleteness — measured against the five elements of a full planning framework — means that even Byron-based projects face gaps in approval certainty and finance access.

7.1.4 The Bellingen planning framework: a complete model

The work undertaken by PolisPlan for Bellingen Shire Council in 2021–22, funded by the NSW Government through Sustainability Advantage, is significant because it is the first attempt in Australia to develop a complete planning framework for cooperative regenerative settlements that addresses all five elements identified in Section 7.1.1.

The starting point was Action 8.4 of the Bellingen Shire Local Housing Strategy 2020–2040, which identified that in the event a proponent presented Council with a suitably detailed project that would produce exceptional environmental and social outcomes, and *"the learnings of that project could be transferred into mainstream housing [policy] in the future"*, Council would provide support for the planning controls necessary to facilitate the pilot project. That action recognised from the outset that the purpose of a pilot was not just to enable a single project but to generate a model capable of transfer into mainstream planning policy.

The resulting framework, reported to Council on 23 November 2022 and unanimously endorsed by the elected Council, comprised:

- **A defined land use term —** draft LEP provisions defining Regenerative Village and Circular Economy as new Standard Instrument terms, with definitions that characterise the development by its systems integration rather than by physical form, making them applicable across a wide range of site types and scales.
- **A locality planning process —** a methodology for identifying suitable sites within Bellingen Shire based on water availability, flood risk, biodiversity, proximity to services, and agricultural productivity, resulting in a map of preferred precincts.
- **LEP provisions —** a draft LEP clause making 'Regenerative Village' permissible with consent in identified zones and locations, setting principal development standards, and providing a clear path to development application.
- **Development controls (DCP chapter) —** design guidance addressing site layout, dwelling density, clustered built form, shared facilities, ecological management, landscape integration, and infrastructure systems performance.
- **Infrastructure delivery obligations —** a Voluntary Planning Agreements policy establishing the framework within which on-site infrastructure delivery (energy, water, waste, food production) would be treated as the primary infrastructure obligation, in place of contributions toward off-site networks.
- **Rating and levy implications —** analysis of how ordinary rates, water, sewerage and waste levies would apply to a cooperative settlement with self-managed infrastructure, addressing a practical gap that had not previously been examined in the NSW context.

The complete framework is publicly available at the Bellingen Council website and at polisplan.com.au/status. It is the most complete publicly available planning framework of its type in Australia, and it is ready for adaptation as a national template. It demonstrates that a complete planning framework for cooperative regenerative settlement can be developed within the existing structure of Australian planning instruments, without requiring primary legislation, and can attract unanimous support from elected local government.

7.1.5 Toward a national framework: synthesis

The three frameworks examined above — Schedule 5, the Byron DCP, and the Bellingen planning work — each contribute to what a nationally consistent planning framework should look like. Schedule 5 establishes the principle of enabling collective rural landsharing without subdivision. The Byron DCP demonstrates that detailed development controls can be written for this typology. The Bellingen framework shows what a complete, five-element planning framework looks like and provides draft instruments ready for adaptation.

What is needed now is a nationally coordinated process to draw from these foundations, engage with the full breadth of the sector and with government planning authorities at state and federal level, and develop a comprehensive planning policy framework suitable for adoption across all Australian jurisdictions. That process should proceed from what already exists — not from scratch.

Two distinct typologies, two distinct frameworks. The sector encompasses two fundamentally different development contexts that require separate but parallel frameworks:

- **Greenfield and rural-fringe settings —** larger sites, typically on rural land adjoining existing towns and villages, where the development involves clustered housing integrated with agricultural land, nature-based water and energy systems, and ecological regeneration. The appropriate typology term for this context is 'regenerative village' or 'ecovillage'. The Bellingen framework and Schedule 5 / Byron DCP experience are the primary source material for this framework.
- **Urban infill and brownfield settings —** smaller sites within existing urban areas, where the development involves cooperative housing with shared facilities, common

open space, and ecological design in a higher-density context. The appropriate typology term for this context is cohousing. Christie Walk is the primary Australian example; European models — particularly Danish, Dutch, and German cohousing — provide an extensive international evidence base.

Each framework should address the same five elements — definition, locality, LEP provisions, development controls, infrastructure obligations — but calibrated to the very different site conditions, infrastructure contexts, and design outcomes of the two settings. National consistency does not mean uniformity: it means that every council, in every state and territory, has access to a defined typology and a planning pathway.

The locality planning dimension is particularly important. Rather than prescribing from the top down where cooperative settlements may occur, the national framework should require each council to identify — through their housing strategies and local strategic planning statements — specific zones or localities where the defined typologies could appropriately be permitted. This respects local knowledge and community decision-making while ensuring that the regulatory foundation is nationally consistent.

7.2 Availability and use of land for housing

The availability of land for housing in Australia is conventionally understood as a function of two things: suitable zoning, and proximity to existing infrastructure networks — principally reticulated water, sewerage, electricity grid connections and road networks. Under this framing, land beyond existing network reach is, for practical purposes, not developable regardless of its physical suitability or community demand.

Regenerative village developments invert this relationship. Because each regenerative settlement incorporates its own renewable energy system and nature-based water management infrastructure as designed-in components — not add-ons, and not reliant on network connection — the pool of potentially developable land expands materially. A site with good solar access, suitable topography for water harvesting, and adequate agricultural potential is developable under this model regardless of its distance from the nearest grid connection or water main.

This has direct relevance to some of the most pressing housing supply challenges in Australia. In flood-affected regional areas like the Northern Rivers, suitable land exists but cannot be readily serviced by conventional infrastructure. In remote and peri-urban areas, the cost of network extension is prohibitive relative to project scale. In all of these contexts, self-sufficient regenerative settlement models offer a complementary pathway to housing supply that does not compete with — and does not require — public infrastructure investment.

> **Key point: infrastructure self-sufficiency as a land supply multiplier**
>
> Conventional housing development treats infrastructure connection as a precondition for land availability. Regenerative village developments invert this relationship: infrastructure is delivered as part of the development itself. Land currently determined to be unavailable — because it lies beyond existing grid reach — becomes potentially available for well-designed regenerative settlements. The reform required is not primarily about land release or rezoning; it is about creating an approval pathway that recognises integrated infrastructure delivery as a legitimate and sufficient basis for development.

This is not an argument for unplanned development. The locality planning methodology developed through the Bellingen process provides a structured approach to site identification, assessing soil quality, water availability, flood risk, biodiversity, and proximity

to services amongst other criteria. The point is that the infrastructure constraint — which currently excludes large areas of physically suitable land from the housing supply equation — is removable for this development typology, and removing it through appropriate planning recognition would expand housing land supply at no public cost.

This approach is also directly consistent with the Government's $2 billion Local Infrastructure Fund and its objective of releasing more 'housing-ready' land. Regenerative settlement developments do not require public funding of infrastructure networks as a precondition for development; they generate and manage their own infrastructure as a community asset, making them a cost-effective complement to publicly funded infrastructure programs.

7.3 Processes and frameworks to deliver new housing infrastructure

In conventional housing development, infrastructure delivery precedes housing. Water mains, sewerage, roads and power must reach a site before homes can be built, with costs recovered through developer contributions or public investment and assets eventually transferred to utilities or councils. This model functions well for large-scale greenfield development adjacent to existing networks, but is slow, expensive, and structurally unsuited to smaller scale, dispersed, or rural development.

Regenerative community settlement models offer a structurally different approach. Infrastructure is not a precondition for development — it is a component of it. The renewable energy system, nature-based water management, waste-to-resource facilities, and regenerative agricultural system are all delivered by the development itself, owned by the community as a collective asset, and operated without transfer to a public utility. The development and its enabling infrastructure are the same project.

This approach aligns directly with the inquiry's interest in developer contributions models and growth infrastructure planning. The Bellingen planning framework already includes a Voluntary Planning Agreements policy designed for this model: prioritising the delivery of on-site integrating infrastructure over contributions toward potential projects remote from the site. This does not avoid obligations to the broader community, it simply encourages actual infrastructure delivery as works-in-kind over monetary contributions towards future works.

The benefits extend beyond the individual development. Each regenerative settlement that is built generates locally owned and operated energy, water and waste infrastructure that reduces demand on public networks and increases regional resilience. In climate-exposed regions, distributed community infrastructure is a resilience asset: a settlement that generates its own energy and manages its own water is not vulnerable to the network failures that have repeatedly proven their consequences in events such as the 2022 Northern Rivers floods.

> **The Bellingen planning framework: a ready-made infrastructure delivery model**
>
> The complete Bellingen framework — including the draft LEP clause, DCP chapter, and Voluntary Planning Agreements policy — is publicly available at the Bellingen Council website https://www.bellingen.nsw.gov.au/Development/Planning-Controls-superseded/Housing-Strategy-Implementation-Eco-village-Pilot-Project. Developed with NSW Government funding and endorsed unanimously by Bellingen Shire Council in 2022, it represents the only publicly available, council-tested planning framework for regenerative community settlement of this type in Australia and is available as a template for national adaptation and adoption.

A nationally consistent planning pathway for regenerative villages would also create the conditions for a more productive approach to construction in regional Australia. One of the most significant barriers to housing delivery in regional, rural and remote settings is the

limited capacity of local construction industries: skilled tradespeople are scarce, material supply chains are long, and on-site construction costs are disproportionately high relative to metropolitan areas. A pipeline of regenerative village projects — developed to consistent standards and delivered across multiple sites — would generate the sustained, predictable demand needed to support factory-based prefabrication as a viable alternative to conventional on-site construction.

Prefabricated housing — designed, manufactured in controlled factory conditions and delivered directly to site for rapid assembly — is well-suited to the regenerative village model. Village developments require a defined number of dwellings built to consistent performance standards, providing exactly the kind of repeatable, volume order that makes factory production economically viable. The high energy performance standards embedded in regenerative village design — passive solar orientation, insulation, airtightness, and integrated renewable energy — are more reliably and cost-effectively achieved in a factory environment than through conventional on-site construction.

A recent example demonstrates the potential. In Horsham, regional Victoria, community housing provider Haven Home Safe delivered 25 modular homes to a 7-star NatHERS rating through a $10.1 million project with Homes Victoria. The modular builder reported that only 3 per cent of construction waste went to landfill and construction timescales were significantly shorter than conventional methods. The Horsham project illustrates precisely the combination of outcomes — high thermal performance, reduced construction waste, speed of delivery, and viability in regional settings with constrained local construction capacity — that makes prefabrication an ideal complement to a national regenerative village program.

This aligns directly with the inquiry's interest in barriers to the uptake of more productive construction methods, and with federal and state government investment in modern methods of construction (MMC) as a response to housing supply constraints. A dedicated MMC stream within the National Regenerative Settlement Demonstration Program (Recommendation 10) would provide the demand signal, the performance specifications, and the documented evidence base needed to accelerate the development of a prefabricated housing supply chain capable of serving regional, rural and remote Australia at scale. The section below on recommendations reflects this opportunity.

7.4 Finance and tenure

The regulatory barriers to cooperative housing extend beyond planning law into the tenure and finance structures that determine whether residents can access and maintain a stake in the communities they build. Planning reform alone will not be sufficient: tenure and finance reform are the third front on which enabling action is needed, and they are equally amenable to practical solutions.

Most conventional housing finance is structured around individual Torrens title: a loan is secured against a separately titled lot, and equity accumulates in that lot over time. Cooperative housing models — where land is collectively held, shared, or managed under cooperative, trust, or multiple occupancy arrangements — do not fit this structure. Where individual lots do not hold separate Torrens title, conventional mortgage finance is unavailable. This is not a market failure; it is a regulatory design consequence.

Community Title — available in NSW under the Community Land Development Act 2021 and equivalent legislation in other jurisdictions — represents one response to this problem. It allows separately titled lots within a larger community scheme, restoring access to conventional finance. However, Community Title is not always the appropriate or preferred solution, and its adoption has not been without difficulty.

The experience of Multiple Occupancy communities in NSW illustrates this clearly. Multiple Occupancy is a form of collective land tenure in which residents share ownership of a single

rural lot rather than holding individual titles. It supported the development of between 150 and 200 rural communities in NSW — built around collective land stewardship, shared infrastructure, and cooperative governance. When pressure arose to convert existing MOs to Community Title, those communities faced a difficult choice between retaining the collective tenure structure that reflected their values and accessing the finance and legal certainty that individual title provides. For those that converted, the process was costly, technically complex, and in some cases took over a decade. For those that did not, barriers to finance and succession remain.

AEON does not advocate for a single tenure solution. The current regulatory environment offers cooperative housing a binary choice between collective tenure (with its finance and succession difficulties) and individual title (with its speculative pressures and loss of collective governance). Neither option fully serves the range of communities that exist. A more enabling regulatory environment would recognise a spectrum of tenure arrangements — including Community Title, cooperative structures, Community Land Trusts, and build-to-rent-to-own models — and provide clear pathways for each to access appropriate finance and support residents in building long-term, non-speculative equity stakes in their communities.

The build-to-rent-to-own model developed by researchers at the UTS Institute for Sustainable Futures (McGee and Noble, 2025) demonstrates what is possible with regulatory clarity. Under this model, residents acquire shares in the entity that owns the development from as little as $10 per week, without requiring a deposit or bank loan. Shares can be cashed out, used to offset rent, or transferred to family members. It is designed to operate within existing federal build-to-rent legislation and has structural similarities to limited-equity cooperatives well established in Northern Europe. It is one example, not a prescription — the point is that innovative, non-speculative equity models are achievable within the existing legal system and simply require regulatory clarity and government guidance to activate them.

8 Enabling Federal Legislation

The reforms identified in Section 6 require action at both state and federal level. State planning instruments must be amended to recognise cooperative settlement typologies; tenure and finance frameworks must be updated to serve collective models; and infrastructure delivery frameworks must be adapted to reflect the integrated approach that regenerative settlements embody. This section addresses the federal dimension: two distinct constitutional pathways through which the Commonwealth could create a nationally consistent enabling framework, complementing and accelerating state-level action.

Planning policy, housing, and land use regulation are constitutional responsibilities of the states and territories in Australia. The Commonwealth has historically regarded its role in these areas as facilitative rather than directive — coordinating state reform agendas, providing funding incentives, and setting aspirational targets through instruments such as the National Housing Accord — but stopping short of legislating directly into fields of state responsibility. AEON recognises this constraint. We submit, however, that two distinct legislative pathways are available to the Commonwealth that would allow it to create a nationally consistent enabling framework for cooperative regenerative settlement, without constitutional overreach and without displacing legitimate state regulatory authority.

8.1 The Cooperatives National Law model

The first pathway is the intergovernmental uniform legislation model, of which the Cooperatives National Law provides a directly relevant precedent. Prior to 2011, cooperative law in Australia was a patchwork of inconsistent state and territory regimes, creating compliance costs and cross-border barriers for an organisational form that is structurally important to cooperative housing and land development. In 2011, state and territory ministers agreed, through the Australian Uniform Cooperatives Laws Agreement (AUCLA), to adopt a single uniform legislative template — the Cooperatives National Law — with NSW as the lead jurisdiction. Each state and territory then enacted an enabling Act applying the uniform law in their jurisdiction, remaking existing legislation in a uniform manner while allowing each jurisdiction to make locally consistent law alongside the national template. The result was a nationally consistent framework achieved entirely through state legislation, without requiring the Commonwealth to exercise a head of power it did not clearly possess.

The same model is directly applicable here. The Commonwealth, working through the Housing Ministers' Meeting or the Planning Ministers' Meeting, could develop a model uniform law defining regenerative community settlement typologies, establishing enabling provisions for their recognition in local planning instruments, and providing a standard framework for cooperative tenure and infrastructure delivery obligations. Each state and territory would then enact its own enabling Act adopting the uniform provisions. This approach has the significant advantage of political legitimacy: it operates through consensus and intergovernmental agreement rather than Commonwealth override, making it far more likely to achieve genuine implementation across jurisdictions.

8.2 The external affairs power and Australia's climate obligations

The second pathway is more direct, and arguably more powerful, though it carries greater constitutional and political complexity. Under section 51(xxix) of the Constitution, the Commonwealth Parliament has power to make laws with respect to external affairs — a power the High Court has consistently interpreted to include the implementation of Australia's obligations under international treaties.

Regenerative community settlements are directly relevant to Australia's climate commitments in two distinct respects. As a mitigation strategy, they are designed to operate without fossil fuels — powered by renewable energy micro-grids, with electrified shared transport, regenerative agriculture, and revegetation that actively sequesters carbon. As an adaptation strategy, they build local resilience through self-sufficient energy, water and food systems, and provide a framework for the planned resettlement of communities displaced from floodplains and other high disaster-risk locations. They are not merely low-carbon housing — they are a settlement model designed to function under the climatic conditions that Australia's existing commitments are intended to prevent, and to contribute to preventing them.

Australia's obligations under the Paris Agreement — ratified in 2016 and given domestic effect through the Climate Change Act 2022 (Cth), which sets a legally binding target of net zero emissions by 2050 — therefore provide a substantive foundation for Commonwealth legislation in this area. Such legislation establishing a planning recognition framework for cooperative and regenerative settlement could properly be characterised as reasonably appropriate and adapted to give effect to those obligations, satisfying the constitutional test the High Court established in Commonwealth v Tasmania (1983) and applied to environmental protection legislation on multiple occasions since.

Under section 109 of the Constitution, Commonwealth laws prevail over inconsistent state laws, so legislation of this kind would require state compliance rather than merely invite state

adoption. The precedent of the Environment Protection and Biodiversity Conservation Act 1999 (Cth) — which already applies to development decisions with significant impacts on matters of national environmental significance, including climate change — confirms that Commonwealth intervention in land use and development on this basis is constitutionally established and politically accepted.

8.3 A complementary and sequential approach

AEON submits that the Commission should recognise both pathways as available to the Commonwealth and recommend that the Government pursue whichever is most feasible in the near term — with the uniform legislation model offering the cleaner political path and the external affairs model offering the stronger constitutional lever. The two are not mutually exclusive: intergovernmental agreement could proceed immediately while the legal architecture for Commonwealth legislation is developed. What matters is that the regulatory gap this submission has identified — a gap that suppresses a tested, climate-responsive, cooperative housing model that councils are ready to enable — is closed at the national level, by whichever constitutional mechanism achieves that outcome most effectively.

9 Conclusion

Australia's housing supply challenge will not be solved by conventional development alone. The sector AEON represents has been quietly building an alternative for fifty years — providing affordable, ecologically responsible, socially connected, and community-governed housing across the country, often in places and for people that the conventional market does not reach. It has done so despite regulatory frameworks that do not see it, tenure structures that do not fit it, and finance systems that cannot serve it. AEON is not only the appropriate body to advocate for these reforms — it is constituted to help implement them. Its objectives include developing an accreditation and certification framework that will give planning authorities, financiers, and communities a reliable basis for identifying and engaging with quality-assured cooperative and regenerative settlements. That framework, once established, will do work that planning instruments alone cannot: building sector credibility, establishing performance benchmarks, and providing the ongoing accountability that transforms a defined land use category into a functioning, trusted housing model. The Commission's recommendations should reflect the value of resourcing and engaging AEON not merely as a stakeholder in policy reform but as an active partner in its implementation.

The case studies in this submission demonstrate that the barriers are real, consistent, and national. But they also demonstrate that the solutions are available. Witchcliffe, Narara, Aldinga, The Cape, Currumbin and the Northern Rivers communities each navigated those barriers at great cost in time, money and community effort. Each is evidence of what becomes possible when communities have the resources and persistence to push through. Each is also evidence of how much unnecessary cost the absence of a defined planning pathway imposes — cost that falls on communities attempting to deliver genuinely affordable and ecologically responsible housing.

The reforms this submission identifies are not complex or costly. Several approaches to the main elements of the planning framework have already been developed. The constitutional tools for federal enabling legislation exist and are well-established. The communities, the councils, and the practitioners are ready. What is needed is the national policy recognition that brings these elements together — and the political will to act on work that has already been done.

AEON would be pleased to give evidence to the Commission, to provide further detail on the planning frameworks and pilot projects referenced in this submission, and to facilitate

introductions to communities, practitioners and local governments across Australia who are ready to move forward as soon as a clear pathway exists.

Contributors

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On behalf of the Australian Eco-living Organisations Network Ltd. (AEON)

Appendices

Letters of support from:

1. Transition Towns Australia
2. Australian Tiny House Association
3. Ecomplish Consulting, Currumbin Valley QLD
4. Narara Ecovillage Co-operative NSW
5. Gulpa Creek Community NSW