



To The Productivity Commission, Housing Supply Regulation Enquiry,

Dated 2-7-2026

Aligning Aviation Airspace Policy with NSW Housing Supply and Transport-Oriented Development Objectives – unlocking more housing in NSW and across Australia.

Executive Summary

The NSW Government has committed to delivering significantly more housing through its Transport-Oriented Development (TOD) Program, the Housing Accord, and broader planning reforms. However, a major constraint on achieving these objectives lies outside the NSW planning system.

Across Sydney's inner metropolitan areas, particularly around Sydney Airport, federally regulated aviation protection surfaces—specifically **PANS-OPS (Procedures for Air Navigation Services – Aircraft Operations)**—are imposing strict building height limits that substantially reduce housing yield in precisely the locations identified for higher-density development.

While aviation safety must remain paramount, there is a compelling case for a coordinated review of whether existing PANS-OPS surfaces continue to reflect modern aircraft performance, satellite-based navigation technologies and Sydney's evolving airport network.

Without addressing this issue, the State's housing ambitions will continue to be constrained by an invisible regulatory ceiling beyond its direct control.

The Missing Piece in Housing Supply

Housing supply is fundamentally driven by three factors:

- Land availability;
- Planning controls that permit density; and
- Development feasibility.

The NSW Government has acted on planning reform through TOD precincts, density uplift and accelerated approvals.

However, in many inner-city locations including Eastlakes, Mascot, Alexandria, Wolli Creek, Rosebery and surrounding precincts a fourth constraint overrides local planning controls:

Federal aviation height restrictions under PANS-OPS.

Regardless of zoning or planning incentives, buildings cannot exceed these protected airspace surfaces.

Consequently, substantial development capacity approved in planning strategies cannot be realised.



Michael Akkawi, CEO Conquest submission to Productivity Commission Housing Supply Regulation

PANS-OPS: The Invisible Ceiling

PANS-OPS surfaces are obstacle protection areas established to ensure the safety of aircraft operating under instrument flight procedures.

Unlike Obstacle Limitation Surfaces (OLS), which may in some circumstances accommodate mitigation measures, PANS-OPS generally represents a hard operational limit.

Where a proposed building penetrates these protected surfaces, approvals are generally not achievable.

The practical consequence is clearly visible across Sydney's southern inner suburbs.

Entire skylines terminate at almost identical heights, not because of planning policy or urban design, but because development has reached the aviation ceiling.

This "flat-top skyline" is evident across Mascot, Alexandria, Eastlakes and Wolli Creek.

Impact on Housing Supply

The implications for housing delivery are significant.

Developers across Bayside and surrounding TOD precincts report substantial reductions in allowable building height, often resulting in:

- major reductions in apartment yield;
- loss of project feasibility;
- reduced affordable housing contributions;
- reduced infrastructure funding; and
- delayed or abandoned developments.

One widely cited example involved a proposed 65-metre residential building being reduced to approximately 37 metres to comply with PANS-OPS constraints.

With construction costs increasing dramatically over recent years, removing even several residential floors can transform a viable housing project into one that is economically unfeasible.

The result is fewer homes delivered on land specifically identified by government for increased density.

Eastlakes and Surrounding TOD Precincts

Eastlakes represents a clear example of this planning conflict.

The suburb sits adjacent to major transport infrastructure and is strategically positioned for increased residential density.

However, aviation height restrictions significantly constrain redevelopment opportunities.

Even where planning controls support additional density, PANS-OPS limits often prevent developments from reaching economically viable heights.

The consequence is a mismatch between State planning objectives and Federal airspace regulation.

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Legacy Assumptions Versus Modern Aviation

Many industry participants argue that existing protected airspace reflects historical assumptions about aircraft performance.

Historically:

- aircraft relied primarily on ground-based navigation aids;
- climb gradients were more conservative;
- aircraft were generally heavier and less fuel efficient; and
- larger obstacle protection margins were required.

Today's aviation environment is materially different.

Modern aircraft increasingly utilise:

- GNSS (Global Navigation Satellite Systems);
- satellite-based navigation;
- Performance Based Navigation (PBN);
- advanced flight management systems; and
- significantly improved climb performance in many aircraft types.

Industry stakeholders therefore question whether portions of Sydney's protected airspace could be safely optimised while remaining fully compliant with International Civil Aviation Organization (ICAO) safety standards.

Importantly, this is not an argument for reducing aviation safety.

It is an argument for reviewing whether current protection surfaces continue to reflect contemporary operational capability.

Western Sydney International Creates an Opportunity

The commencement of operations at Western Sydney International Airport provides an appropriate opportunity to reassess metropolitan airspace planning.

While both Sydney airports will continue operating under ICAO standards, Sydney's overall aviation network, fleet mix and traffic distribution will evolve.

This transition provides an opportunity for the Commonwealth, Airservices Australia, CASA and the NSW Government to jointly assess whether existing PANS-OPS procedures remain optimised for both aviation operations and metropolitan planning outcomes.

Any review should be evidence-based, technically rigorous and maintain Australia's internationally recognised aviation safety standards.

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International Experience

International cities facing similar constraints have demonstrated that aviation safety and urban growth need not be mutually exclusive.

Jurisdictions have reviewed instrument flight procedures, adopted modern navigation technologies and optimised protected airspace while remaining compliant with ICAO requirements.

These examples illustrate that airspace protection should be periodically reviewed alongside advances in aviation technology rather than treated as permanently fixed.

A Governance Gap

The fundamental issue is one of policy coordination.

The NSW Government is encouraging higher-density housing around transport hubs.

Simultaneously, Federal aviation regulations may significantly limit the height necessary to achieve those housing targets.

As a result:

- State planning policy seeks increased density;
- Federal airspace policy limits that density;
- development feasibility declines; and
- housing supply is reduced.

This disconnect creates uncertainty for landowners, developers, councils and government alike.

Airspace should be recognised as a critical piece of metropolitan infrastructure that directly influences housing supply, urban economics and city planning.

Recommendations

The NSW Government should formally engage with the Commonwealth Government, Airservices Australia and CASA to:

1. Initiate a comprehensive review of PANS-OPS constraints affecting Sydney TOD precincts.
2. Assess whether existing protected airspace accurately reflects contemporary aircraft performance, navigation capability and airport operations.
3. Identify opportunities to safely optimise instrument procedures while maintaining full ICAO compliance.
4. Quantify the housing capacity currently constrained by aviation height limits across metropolitan Sydney.
5. Establish an ongoing intergovernmental framework ensuring future aviation planning and metropolitan housing strategies are developed in parallel.

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Conclusion

The NSW Government has identified housing supply as one of the State's most pressing economic and social challenges.

Planning reform alone cannot deliver the required housing if a significant proportion of Sydney's strategic growth areas remain constrained by legacy aviation height limits.

This submission does not advocate compromising aviation safety.

Rather, it seeks a coordinated, evidence-based review of whether existing PANS-OPS settings continue to represent the optimal balance between aviation safety, modern aircraft capability and metropolitan planning outcomes.

If contemporary aviation technology allows aircraft to operate more precisely while maintaining or improving safety outcomes, then corresponding airspace protection arrangements should be examined to determine whether additional housing capacity can be responsibly unlocked.

For Sydney to fully realise the objectives of Transport-Oriented Development, airspace policy must become part of the housing supply conversation.

The question is no longer whether safety should be protected it unquestionably must be, but whether legacy airspace settings should remain beyond review when they materially constrain the delivery of thousands of homes in locations specifically identified for growth.

At Conquest we are passionate about creating more housing for now and future generations and reconsidering flight paths is an option to unlocking thousands of new residences.

We are available to present our case to this Inquiry.

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