

Productivity Commission Housing Supply Regulation

Reform directions

City of Onkaparinga comments

Reform direction 2.1

Allow up to 3-storey developments across most residential land

State and territory governments should allow up to 3-storey developments across all residential land, with exceptions made for areas with environmental protection, hazard-related overlays or heritage listed buildings only where the benefits of exceptions outweigh the costs.

Position: Do not support a blanket approach.

A uniform 3-storey allowance across all residential land ignores the varied character, constraints and planned outcomes of different neighbourhoods, risking harm to liveability, infrastructure capacity and community confidence in infill outcomes.

South Australia (per the **Greater Adelaide Regional Plan**) already supports increased height and density in the right locations:

- **Infill:** up to 3 storeys is supported in Strategic Infill Areas and around activity centres, transport corridors and open space, subject to good design (bulk, scale, overshadowing, site coverage, landscaping).
- **Master Planned Neighbourhoods Zone:**
a zone typically used for large greenfield/growth-area developments, which supports 3 storeys when utilising lot layout/design controls and appropriate locational attributes with the goal of giving clear, accepted pathways for development consistent with an approved master plan and/or structure plan.

Reform direction 2.2

Allow mid-rise or high-rise apartments in high-demand areas

State, territory and local governments should update planning schemes to allow mid-rise (4–9 storeys) and/or high-rise (10+ storeys) apartments in high-demand areas with existing or readily expandable transportation infrastructure. This will require changes to a variety of land-use controls which will vary by local government area and/or state and should be implemented in conjunction with reform direction 2.6.

Position: Support, subject to targeting specific locations.

The Greater Adelaide Regional Plan currently identifies City of Onkaparinga suburbs such as Noarlunga Centre, areas of Christies Beach and Port Stanvac (South Beach) as appropriate locations for higher density and height.

Likewise, there is existing policy already in place in the Planning and Design Code that supports mid-rise and (in places) high-rise development near Urban and Suburban **Activity Centres** with good transport, employment, services and infrastructure access.

Council sees further opportunity to rezone along key sections of arterial roads to an **Urban Corridor Zone** to enable this (applied along strategic main road corridors to transform them into higher-density, mixed-use spines that make good use of frequent public transport, while framing the road with a strong, consistent built form).

Reform direction 2.3 Reduce or remove minimum lot size requirements State, territory and local governments should recognise where minimum lot size requirements are reducing commercially feasible capacity, particularly in high-demand areas, and remove or reduce requirements in those places. Subdivision requirements need to be permissive to enable this reform to have its full effect.	Position: Support in principle; do not support further reduction in Onkaparinga. Reduced lot sizes can support diversity and affordability where infrastructure capacity, local context and amenity can be managed as already occurs in the Housing Diversity Neighbourhood Zone (e.g. Christies Beach, Christie Downs, Morphet Vale, Reynella). The City of Onkaparinga already has liberal area of minimum lot sizes across most residential areas, combined with the Affordable Housing Overlay (which provides site area and carparking rate dispensations), and is on track to meet its Greater Adelaide Regional Plan housing target. Further reduction risks unintended impacts on liveability, infrastructure demand and community confidence.
Reform direction 2.4 Allow residential development in commercial zones, unless there is a clear rationale for excluding it State and territory governments should review all commercial zones that restrict residential development and change them so they restrict residential development only where there is a clear rationale to do so and there is a net benefit from restriction.	Position: Agree. Existing state Planning and Design Code policy for centres already enables this.
Reform direction 2.5 Review, reduce and remove land-use controls that reduce commercial feasibility and do not adhere to best practice principles State, territory and local governments should identify and reduce controls that reduce commercial feasibility and do not adhere to best practice principles.	Position: Support for activity centres – do not support for Strategic Employment Zone Land use controls reduce conflict that arise from incompatible adjacent use – any proposed changes must consider amenity issues. For example, residential intrusion into highway adjacent activity centres / areas is possible with improved acoustic measures. Residential intrusion into the Strategic Employment Zone (council's key industrial areas) is not supported in any form.
Remove or reduce parking requirements. Governments should remove or reduce off-street parking requirements (especially minimum requirements) in areas where there is evidence of underused parking spaces and sufficient public transport connectivity.	Position: Parking requirements - do not support further reduction. Reduced off-street parking rates already apply under the Code. As an outer suburban area with high car ownership, the City of Onkaparinga is already experiencing congestion from infill development. Federal and state investment in public transport must improve before further parking reductions are considered.

Replace broad heritage protections with more targeted heritage listings with cost-benefit analysis and review processes. Blanket heritage areas should be replaced by heritage listings for specific buildings or small areas. Targeted heritage listings should be justified by cost-benefit analysis and there should be more robust mechanisms to review and delist buildings.	Position: Heritage protections - do not support replacing area-based protection with targeted listings. A Historic Area's significance comes from the relationship between buildings e.g. scale, spacing, materials, street pattern and setting (shopfronts, boundary walls, paving, trees, subdivision pattern), not from individual buildings in isolation. Area-based controls capture this; individual listings generally do not.
Review and reduce neighbourhood character restrictions. Restrictive overlays which apply blanket restrictions to entire streets or local government areas should be reviewed and replaced by targeted protections where possible.	Position: Neighbourhood character overlays - do not support removal. The McLaren Vale Character Preservation District Overlay protects the region's rural character, agricultural land and tourism/economic assets. This Overlay gives effect to the Character Preservation District introduced through special legislation of the <i>Character Preservation (McLaren Vale) Act 2012</i> – an Act to recognise, protect, and enhance the special character of the McLaren Vale district, which includes its scenic, cultural, and environmental values, while allowing for the economic, physical, and social wellbeing of the local community. Urban greening overlays (Regulated and Significant Trees, Native Vegetation) support climate resilience, cooling, biodiversity and liveability and should be retained.
Reform direction 2.6 Relax or remove built-form controls that limit flexibility and choice for households State, territory and local governments should identify and reduce or remove built-form controls that limit the range of dwelling types available to households.	Position: Support Addressed through the Planning and Design Code - SA's planning system enables a diverse range of dwelling types across residential zones.
Modify controls as required to enable townhouse and apartment reform. In areas suitable for townhouses and apartments, controls such as site coverage ratios, setback requirements and height restrictions should be modified to enable reform uptake.	Position: Support Already in place across neighbourhood-type zones
Remove maximum floor-space ratios. State, territory and local governments should avoid using maximum floor-space ratios to manage density where the desired outcome can be achieved through height restrictions or other built-form controls.	Position: Do not support Site coverage/ratio controls protect landscaping and permeability – within infill housing, a lack of landscaping and/or room for trees is already a concern, any further reduction is not supported.

Remove restrictions on housing types. State, territory and local governments should avoid restricting certain dwelling types as desired outcomes can be better managed by other built-form controls.	Position: Support Already in place across neighbourhood-type zones
Remove restrictions on minimum dwelling sizes, minimum balcony sizes and storage requirements for apartments. State, territory and local governments should avoid regulating observable characteristics that do not negatively affect the wider community.	Position: Do not support Minimum balcony size protects occupant amenity (light, air, outdoor space); removing storage requirements risks garages being used for storage, pushing cars onto streets and worsening congestion.
Reform direction 3.1 Consider infrastructure requirements and trade-offs associated with development early through strategic planning State and territory governments should seek to lift the burden from approvals by assessing development conditions and determining trade-offs efficiently and upfront rather than through the development approval process. This includes: • identifying suburbs and localities where there is high expected demand for new housing, and making it an explicit performance goal for councils, relevant agencies and regulated infrastructure service providers to facilitate new housing in these areas • completing technical studies (e.g. flood risk, bushfire risk, biodiversity mapping) across suburbs and localities with high expected demand for new housing, and considering how the impacts of the expected uplift in housing development can be managed across these areas • fully considering how any required housing-enabling infrastructure will interact with existing infrastructure, including by engaging with referral agencies or owners of existing infrastructure to identify potential barriers to development early (in conjunction with reform directions 4.1 and 4.2) • incorporating the outcomes of these assessments into planning schemes as clear and codified requirements for development, and avoiding site-specific assessments of trade-offs where possible.	Position: Support Already delivered in SA through the Code Amendment process (the legislated process to change the zone of land). Upfront strategic planning gives developers, infrastructure providers and communities certainty and reduces later delays. The protection of transport corridors and long-term planning in growth areas like Aldinga demonstrates the value of planning for complete communities rather than retrofitting infrastructure.
Reform direction 3.2	Position: Support

Expand the use of fast-track pathways to assess simple developments State, territory and local governments should improve fast-track assessment pathways by: • expanding their use to cover more low-complexity developments, using deemed-to-comply assessment against codified rules, with minimal third-party inputs • increasing the use of pattern books, with templates eligible for fast-track approval • using hybrid assessment for developments which narrowly fail to comply with fast-track criteria, where non-complying criteria are assessed using standard techniques • approving fast-track developments quickly, with incentives for councils to increase speed of assessment.	Already delivered through Accepted Development and Deemed-to-Satisfy pathways in the Code. Further expansion is appropriate for developments meeting clear, codified criteria, but must not compromise strategic planning, climate resilience, energy efficiency, accessibility, housing quality or liveability consistent with Council's Affordable Housing Strategy. Council would welcome speed incentives, noting its assessment times are already well within prescribed timeframes.
Reform direction 3.3 Use state-significant pathways to approve developments with a clear need for state-led assessment State and territory governments should improve the assessment of large, complex and important developments by: • using state-significant pathways when a clear need for state-led assessment is demonstrated, with transparent and defined criteria for inclusion in the pathway • giving assessment authorities clear decision-making powers, which are not bound by council planning schemes • using early and targeted consultation to meaningfully engage third parties where their inputs are required.	Position: Agree SA already has state-significant pathways, and the single, state-wide Planning and Design Code gives assessment authorities clear decision-making power. Transparent, consistent criteria should be maintained.
Reform direction 3.4 Improve housing approval assessments with better coordination of referrals, use of technology including AI, and transparent reporting State, territory and local governments should improve housing approval assessments by: • using coordination bodies to manage and sequence referrals from government agencies and third parties. These bodies should have decision-making power in the event of conflicting advice	Position: Support Already largely in place in SA, including a fair degree of transparency in reporting outcomes. Better coordination of referrals and clearer conflict-resolution mechanisms could reduce delays. Council notes the state government is exploring AI for straightforward assessments; support is difficult to commit until its benefits and reliability are demonstrated.

• increasing use of technology including AI to help decision makers and applicants understand regulatory requirements and identify potential problems with applications • strengthening performance reporting so that it more meaningfully captures the end-to-end burden of the approvals process. This includes public reporting on outcomes by council.	
Reform direction 4.1 Coordinate strategic planning for infrastructure with housing objectives State, territory and local governments should improve their infrastructure planning by: • documenting how infrastructure planning supports housing objectives, including any interdependencies with third parties such as infrastructure service providers. This should be prioritised for areas identified as having high expected demand for new housing (reform direction 3.1) • ensuring infrastructure planning documents are kept current • reporting the level of funding allocated to individual infrastructure projects and the expected costs and benefits of major road and transport projects • ensuring there is a consistent approach to infrastructure planning across local governments within jurisdictions, and that local planning aligns with state-level infrastructure and housing objectives and projections (and supports reform direction 4.2).	Position: Support Will be strengthened by forthcoming Local Area Plans. Land release alone does not create housing supply; housing-ready land needs infrastructure certainty, coordinated investment and clear delivery timeframes. Council supports stronger alignment between local, state and Commonwealth planning and funding, and notes (per Council's Affordable Housing Strategy) that successful outcomes also depend on access to employment, transport, open space, education, health and community infrastructure.
Reform direction 4.2 Improve infrastructure sequencing with housing development State and territory governments should improve how infrastructure is sequenced with housing. This includes: • ensuring the timing of rezoning and infrastructure planning accounts for the lead times of each and that this is reflected in infrastructure plans, to ensure land for housing is released once a plan to deliver timely supporting infrastructure has been made • ensuring infrastructure upgrades to support additional housing coincide with required	Position: Support A major barrier to housing delivery. In SA, the constraint is a lack of <i>serviced</i> land, not land supply itself; upfront federal and state infrastructure funding is critical. Council supports aligning infrastructure planning with housing targets, sequencing delivery with rezoning, clear allocation of responsibilities, greater funding transparency, and earlier investment in high-growth areas. Council welcomes the Local Infrastructure Fund announced in the 2026 Federal Budget.

changes to support housing, such as upzoning • developing an accountability framework with clear responsibilities for each level of government and other parties such as regulators and infrastructure service providers, to set out how they will work together to deliver timely infrastructure to support housing • considering how sequencing can improve certainty for other parts of the development process, including approvals (reform direction 3.1).	
Reform direction 4.3 Ensure developer contributions reflect the accurate cost of providing infrastructure State, territory and local governments should: • use developer contributions for all infrastructure with a close nexus to the development, when the development has also created a demonstrated need • apportion contributions for infrastructure when beneficiaries are dispersed beyond the development site • remove contributions when there is no demonstrable nexus between a development and infrastructure • use cost-reflective developer contributions where possible, unless there are significant administrative burdens for local government or accurate cost estimates cannot be provided upfront.	Position: Support Largely already practised, with further improvement expected via Infrastructure Schemes (a new mechanism for funding and delivery of infrastructure such as roads, stormwater and community facilities). Contributions should be transparent, proportionate and provide certainty for development feasibility. Council recommends expanding Infrastructure Schemes to infill areas (stormwater, road upgrades, open space, public transport contributions). Infrastructure with broader regional/community/economic benefit should not be funded solely by developers - funding should reflect the distribution of benefit across developers, local, state and Commonwealth government (e.g. transport corridors, regional sport/recreation facilities, libraries, public transport, open space networks).
Reform direction 4.4 Enhance design of developer contribution frameworks towards best practice State, territory and local governments should update the design of developer contribution frameworks to: • include upfront estimates of contributions prior to land release or land acquisition, and make available online contribution estimation tools • allow contribution payments to be staged or due later in the development process • take a consistent approach across all local governments within each state and territory	Position: Support The SA system already provides for this, with further improvement expected through Infrastructure Schemes. Council supports upfront contribution estimates, improved reporting, and streamlined administration, provided any move toward greater state-wide consistency retains flexibility for local circumstances, growth patterns and timing.

in how charges are administered and calculated • reduce the number of different contributions levied on developers by bundling different contributions into single levies where possible • adopt transparent, centralised reporting of funds collected at the development, local government and state levels and progress reports against planned infrastructure delivery and housing supply objectives.	
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