

29 September 2026

Housing Supply Regulation Inquiry
Productivity Commission
GPO Box 1428
Canberra City ACT 2601

Attention: Ms Danielle Wood and Dr Alison Roberts

Dear Ms Wood and Dr Roberts

RE: HOUSING SUPPLY REGULATION – INTERIM REPORT

Thank you for the opportunity to provide a response to the Productivity Commission's Interim Report on Housing Supply Regulation in Australia.

Meriton welcomes the Commission's Interim Report and its focus on the regulatory barriers to housing supply. This submission draws on more than 60 years of delivering high-rise apartments and, in particular, on our direct experience of developing under two very different planning systems – Queensland and New South Wales.

The contrast is stark. Meriton's 795-apartment Alice Street project in Brisbane was approved within nine months, without a design competition, and only 7% of its conditions of consent required further approval from Council. Our comparable (approximately 850-dwelling) Suttons project in Zetland took almost three years from lodgement of the rezoning to final development approvals, including an 11-month design competition, and approximately 23% of the conditions for each stage require further Council approval. As a result, Meriton currently has over 3,000 dwellings under construction in QLD but has not purchased a new site in NSW for more than five years.

The key lesson is that certainty and speed matter as much as cost. Planning systems that set clear rules, apply them consistently and determine applications promptly attract investment and deliver homes. Systems that rely on discretion, layered requirements and open-ended processes do not.

Our key recommendations are summarised below.

Scope of the inquiry

- Prioritise reforms that support high-density housing, which delivers the greatest volume of new homes and makes the most efficient use of infrastructure.
- Bring the National Construction Code (NCC) within scope – Meriton has identified over \$50,000 per apartment in costs imposed under the NCC since 2019 that could be removed without any tangible quality, amenity or safety impacts.

Relax land-use rules where people want to live

- Define 'high-demand areas' to include locations within 15km of metropolitan or strategic centres that adjoin established, more expensive housing markets, and provide guidance on 'expandable transport infrastructure' (Reform Direction 2.2).
- Allow residential uses in commercial zones (Reform Direction 2.4).
- Reform parking controls: remove minimum parking rates, make any maximum rates non-statutory and flexible, encourage above-ground parking without loss of residential yield, mandate shared parking in mixed-use developments, remove car share requirements and facilitate the unbundling of parking (Reform Direction 2.5).
- Remove maximum floor space ratios, minimum dwelling, balcony and storage requirements, and restrictions on housing types in residential and mixed-use zones (Reform Direction 2.6).
- Treat the Apartment Design Guide (ADG) as a performance-based tool – where compliance is deemed-to-comply and performance solutions are considered where strict compliance cannot be achieved. UDIA research indicates the ADG adds as much as \$82,000 to the cost of a typical apartment.
- Review Local Environmental Plans and Development Control Plans so that housing capacity is tested against the achievable development envelope, rather than theoretical FSR and height capacity.

Make approvals faster and easier

- Apply a six-month deemed approval period to development applications, particularly in NSW (Reform Direction 3.2).
- Abolish mandatory design excellence and competitive design processes, which add cost and delay without demonstrated benefit.
- Use Design Review Panels only for major development, and not for projects that comply with the ADG or have been through a design excellence process.
- Establish a transparent State Significant Development pathway for residential projects in NSW based on quantifiable thresholds (Reform Direction 3.3).
- Prohibit conditions of consent that require further approval from the planning authority after consent has been granted (Reform Direction 3.4).
- Introduce a 'generally in accordance with' process in NSW for minor updates to approved plans, as used in QLD.

Better coordinate infrastructure planning and charging with delivery

- Prioritise Australian Government funding for strategic, housing-enabling transport infrastructure, supported by long-term State commitments and a clear accountability framework.
- Limit developer contributions to essential infrastructure and remove charges for non-essential items such as public art.
- Incentivise, rather than mandate, the delivery of affordable housing.
- Defer the collection of infrastructure contributions to the occupation certificate stage, with governments forward-funding enabling infrastructure.
- Adopt transparent, centralised reporting of developer contributions and the infrastructure they fund.

ABOUT MERITON

Meriton is the largest developer of residential apartments in Australia. Founded by Mr Harry Triguboff in 1963, Meriton has built over 80,000 residential and serviced apartments across Australia, accounting for one in every 100 homes built in Australia for the past 60 years.

Meriton focuses on delivering high-rise residential developments in metropolitan areas – predominantly in Queensland (QLD) and New South Wales (NSW). Our experience is that delivering high-quality residential apartments in QLD is far more efficient – and therefore more feasible – than delivering housing in NSW, with the design quality of apartments delivered in QLD remaining as good, if not better, than those delivered in NSW. As a result, Meriton, like many other large residential developers, is focusing its future investment in QLD, where the planning system provides greater certainty, without compromising quality.

Meriton currently has over 3,000 dwellings under construction in QLD with a further 883 approved for construction. We are directing investment into new sites in QLD where we can secure approval for new high-rise residential apartments much more quickly than in NSW.

In NSW, we have just over 2,100 dwellings under construction with approval for a further 460 in place. These are legacy projects. Meriton has not purchased a new site in NSW for over five years due to the complexity and inefficiency of the planning system which adds significant costs and time delays to new apartment builds in NSW.

There are multiple reasons why the NSW planning system fails to support the feasible delivery of high-quality housing. Our first-hand experience of developing high-density residential development across both QLD and NSW jurisdictions has informed this submission.

We recommend that the Commission prioritise Reform Directions that support the delivery of high-density housing over those that relate to low- or medium-density housing typologies. Under appropriate regulatory settings, high-density apartment development has the capacity to deliver a far greater volume of new homes compared to smaller housing projects.

The NSW Government has acknowledged that larger residential projects outperform smaller housing projects in housing output. In January 2026, the NSW Minister for Planning and Public Spaces confirmed that *‘three quarters of the increase in housing across NSW was the result of SSD [State Significant Development] applications’*.¹

SCOPE OF THE COMMISSION’S INQUIRY

The Commission has been asked to assess and identify best practice approaches to **get more homes built quickly** and recommend appropriate reforms across the following matters:

1. Approval processes (e.g. development, building, and post-approvals, including any barriers to the uptake of more productive methods of construction)
2. Availability and use of land for housing (e.g. land release, land use controls)

¹ Ministerial media release, *NSW housing completions hit five year high* (21 January 2026) – <https://www.nsw.gov.au/ministerial-releases/nsw-housing-completions-hit-five-year-high>

3. Processes and frameworks to deliver new and utilise existing housing infrastructure (e.g. growth infrastructure planning, developer contributions model)

The Commission's Interim Report states that the National Construction Code (NCC) is out of scope – as are policies that may affect construction costs or labour supply – as other reviews and past Commission work are examining, or have recently examined, these issues. Broader policy settings such as taxes, interest rates and finance are also not covered by the inquiry. Nor is the Commission examining the growth of demand for housing, including migration and demographic change.

Whilst the progress of other inquiries is acknowledged, the factors that influence housing delivery cannot be considered in isolation. Housing delivery operates within a system; if one element (e.g. planning) is fixed, another element (e.g. finance) may slow it down. The entire system needs to be considered holistically.

New housing requirements have been layered progressively over time with major policy changes such as the introduction of NatHERS in 1993, the performance-based BCA in 1996, BASIX in 2004, the NCC in 2011, and the *NSW Design and Building Practitioners Act* in 2020 all adding regulatory burden and cost without any coordination across policies. Atlas Economics' recent analysis shows that as requirements accumulate, incremental quality benefits diminish, while feasibility and dwelling yield decrease.²

The current Treasury-led project to modernise the NCC does not specifically look at opportunities to remove existing NCC requirements which have been unnecessarily added over time.

For example, in 2022, the NCC was updated to require the installation of ceiling fans in new apartments. This exemplifies the imposition of a regulation that is in direct contrast to the Commission's best-practice housing Principle 2: ***Only regulate where necessary. Only regulate housing design features when there are clear market failures and allow households to choose and pay for other features they value.***

Home purchasers should be able to decide whether they want to pay for ceiling fans or not. There is no need to regulate this.

Meriton has identified over \$50,000 worth of unnecessary costs that have been imposed per apartment under the NCC since 2019 that could be deleted without any tangible quality, amenity or safety impacts.

The Commission *should* include NCC reform within its scope.

Please find our submission on the Commission's Reform Directions and Information Requests below. We have commented only on matters in which we have direct experience, and which are relevant to the design, approval process and construction of high-rise residential apartments.

1 RELAX LAND-USE RULES WHERE PEOPLE WANT TO LIVE

ALLOW HIGH-RISE APARTMENTS IN HIGH-DEMAND AREAS

Meriton strongly supports Reform Direction 2.2, particularly the proposal to permit buildings of 10 or more storeys in high-demand areas supported by expandable transport infrastructure. As detailed above, high-density housing can deliver a substantial volume of new homes and can dramatically increase the economic

² Atlas Economics, Atlas Housing Download Series: Part 3 – Regulatory Change in Building Requirements and Cost Implications (15 April 2026) – <https://www.atlaseconomics.com.au/insights/atlas-housing-download-series-regulatory-change-in-building-requirements-and-cost-implications-part-3>

return and utilisation of infrastructure investment (the infrastructure multiplier effect) thereby reducing costs to government.³

In other words, ***high-density housing does more with less.***

Defining high-demand areas

In progressing Reform Direction 2.2, the Commission should define what it means by ‘high-demand areas’, and in doing so, it should consider housing preferences and demand drivers.

Research into housing preferences in Sydney shows that, when moving home, people prefer to remain within their local area – within 15km of their former residence.⁴ However, the absence of appropriate housing in the right location means that many households cannot exercise their housing preferences. In identifying ‘high-demand areas’, the Commission should consider ‘aspirational demand’ for housing in lower cost areas that provide a catchment for households moving from adjoining, more-expensive suburbs.

For example, the Housing Demand Market Analysis prepared for the NSW Government’s [2018 Eastern City District Plan](#) identified a strong preference for households seeking to move from higher-priced Eastern Suburbs locations southwards to less expensive areas such as Bayside.

Eastgardens – in the Bayside local government area (LGA) – has emerged as a major destination for households seeking improved affordability, whilst retaining a similar level of access to existing communities, facilities and services as the more expensive neighbouring LGAs of Woollahra and Waverley. This flow of households has accelerated substantially since Meriton delivered the first of more than 3,500 apartments in its new Pagewood Green and Centro masterplanned communities in Eastgardens in 2019.

At the 2016 Census, Eastgardens was a tiny residential pocket with a population of only 860 people. By the 2021 Census, the population had grown to 4,086 residents – an increase of 375%. Whilst in 2016, Eastgardens may not have been identified as a ‘high-demand area’, the latent demand for more affordable housing close to the city meant that *it was an area where people wanted to live*. The delivery of high-density housing in Eastgardens by Meriton allowed households to exercise their housing choice.

Recommendation

The Commission should update Reform Direction 2.2 to define ‘high-demand areas’ as locations which are within 15km of metropolitan or strategic centres, and which adjoin established, more expensive housing markets. Locations which are characterised by consolidated land ownership and which are readily developable should be prioritised.

Defining expandable transport infrastructure

There were multiple factors that enabled the efficient delivery of housing on Meriton’s Pagewood site. Meriton was the only landowner of a large, consolidated area of land less than 10km from Sydney CBD suitable for high-density residential. Meriton had the commercial capacity to deliver housing quickly; and it

³ AHURI, Does higher density deliver more affordable housing? – <https://www.ahuri.edu.au/analysis/brief/does-higher-density-deliver-more-affordable-housing>

⁴ Pinnegar S; Randolph B; Legacy C; Tice A 2013, Implementing metropolitan planning strategies: taking into account local housing demand – Technical Report, City Futures Research Centre, Sydney

had the support of the local planning authority to progress the rezoning and development approvals for the site as efficiently as possible.

The Pagewood site is supported by bus services that have been augmented over time as the residential population has grown. Therefore, there was no need for significant government upfront investment in transport infrastructure to ‘unlock’ housing supply. This is consistent with the Commission’s recommendation to identify ‘high-demand areas’ with readily ‘expandable transport infrastructure’.

Housing growth can often be unlocked through rapid bus services which then preserve a transport corridor for future delivery of more-expensive transport infrastructure as residential population increases. This approach to layering of transport infrastructure along established transport corridors avoids high upfront costs and links transport infrastructure spending to population growth.

For example, Meriton owns a 12-hectare site at Little Bay – less than 15km from Sydney CBD – strategically located along the Anzac Parade transport corridor and directly adjoining a 53-hectare government landholding to the north that has been identified for urban renewal (see **Figure 1** below).

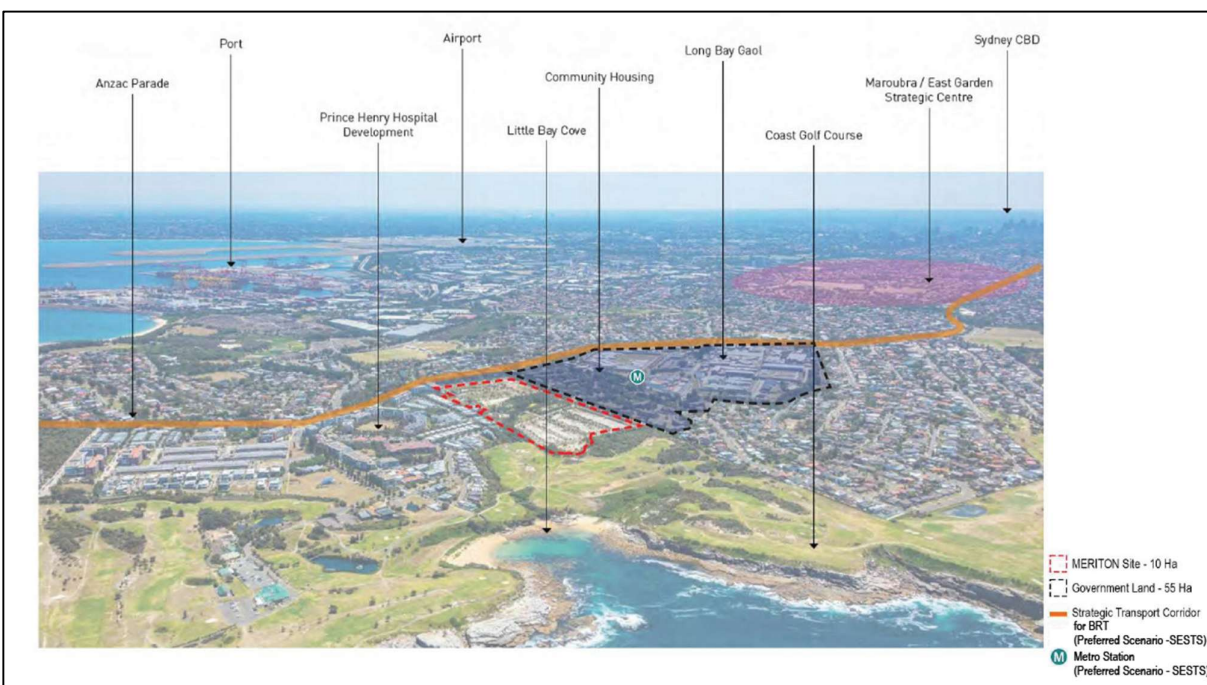


Figure 1 – Anzac Parade transport corridor and strategic housing development sites

As identified in [the South East Sydney Transport Strategy](#) (SESTS), the Anzac Parade corridor can be readily upgraded to deliver a rapid bus service to support housing growth. This can be augmented over time to extend the light rail service and eventually to deliver Metro services. This exemplifies ‘expandable transport infrastructure’.

Recommendation

The Commission should provide guidance on ‘expandable transport infrastructure’ noting that the demand for additional transport infrastructure typically only arises once a new residential community

reaches a critical mass, by which stage both local and State governments will have collected significant funds in development contributions and charges which can be invested in new transport infrastructure.

ALLOW RESIDENTIAL DEVELOPMENT IN COMMERCIAL ZONES

Meriton strongly supports Reform Direction 2.4. Local planning authorities often seek to prohibit residential land uses within commercial zones, to artificially preserve commercial areas, even where there is no market demand for commercial floorspace.

One of the key drivers for this is the higher rates collected by Councils from business premises compared to residential premises.⁵ This should not be a factor influencing planning and zoning decisions and often results in arbitrary development outcomes that do not respond to market demand. There are multiple sites in existing centres such as Sydney CBD, North Sydney, Chatswood and Bondi Junction which would be ideal locations for high-density housing close to transport and services where sites remain undeveloped due to minimum non-residential floor space requirements or prohibitions on residential development imposed by Councils.

For example, Meriton owns a site in the Chatswood CBD between Thomas Street and Albert Avenue (see **Figure 2** below). The eastern portion of the site is zoned MU1 Mixed Use in which 'shop top housing' is permitted. Almost 270 residential apartments – including ten affordable housing apartments – have been delivered on this part of the site.

⁵ For example, in Waverley LGA, on a per property basis, businesses in Bondi Junction pay seven times as much as residents throughout Waverley; and businesses in the rest of Waverley (outside Bondi Junction) pay five-and-a-half times as much as residents throughout Waverley – Waverley Council, Fact Sheet 10: How are council rates calculated? https://hdp-au-prod-app-waverley-yoursay-files.s3.ap-southeast-2.amazonaws.com/6216/6365/8991/FactSheet10_CalculatingCouncilRates.pdf

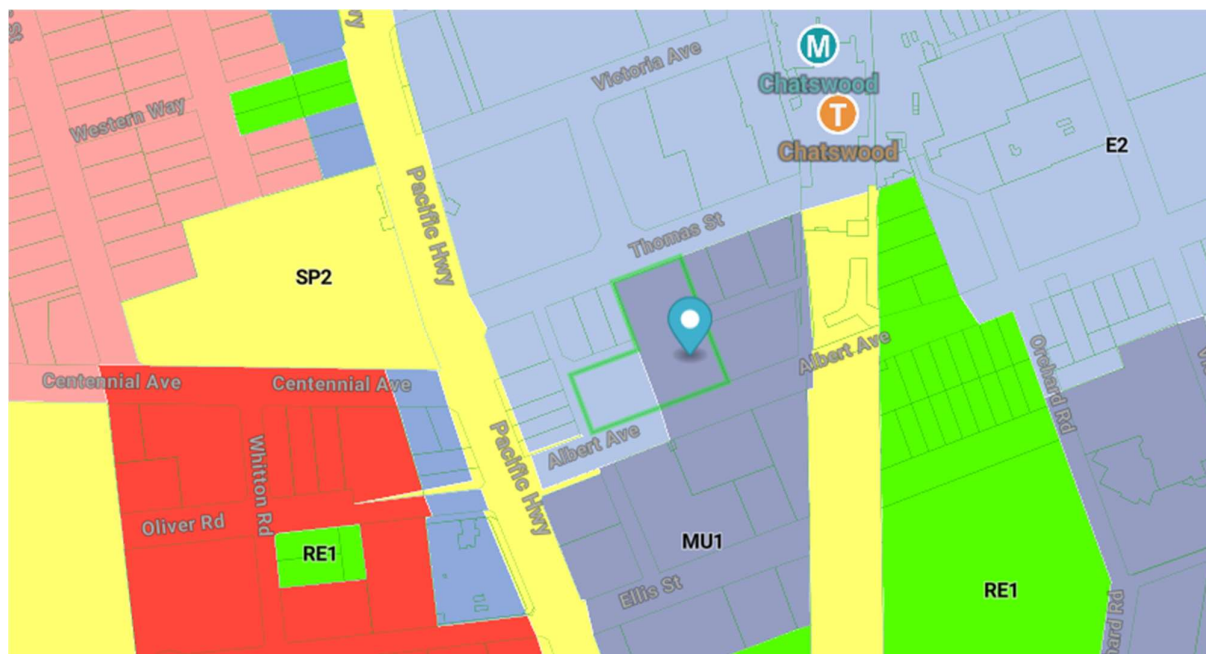


Figure 2 – Meriton site in Chatswood CBD

In contrast, the western part of the site is zoned E2 Commercial Core in which residential uses are prohibited. This part of the site was initially approved for commercial uses. However, that use was unfeasible due to the lack of demand for commercial floor space in the Chatswood Centre. It was subsequently converted to a serviced apartment hotel use. Nonetheless, this site would be an ideal location for additional residential accommodation, for which there is a high demand.

There is no planning logic to the application of two different zonings – one which allows residential and the other which does not – to the same site which has the same locational attributes and site characteristics across both its western and eastern portions.

Similarly, City of Sydney Council (the City) enforces strict non-residential floor space and active frontage controls in many locations. For example, on Meriton's Suttons site at 905 South Dowling Street, Zetland, Meriton identified multiple locations where its commercial leasing team would be unable to attract a commercial tenant and requested that the City allow for ground floor residential apartments to be provided in these locations. The City did not support this change. As a result, these tenancies are likely to remain empty despite these spaces providing a perfect opportunity for family-sized ground floor dwellings.

Exclusionary zoning such as this limits the ability for developers to respond to market demand for new housing and drives up housing costs.

Recommendation

The planning system should allow sufficient flexibility for the market to dictate the highest and best use for a site – including residential uses – particularly where there is no compelling planning reason why residential uses should be prohibited.

REMOVE LAND-USE CONTROLS THAT REDUCE COMMERCIAL FEASIBILITY AND DO NOT ADHERE TO BEST PRACTICE PRINCIPLES

Meriton agrees that the introduction of any new planning control should be subject to a cost-benefit analysis. This should not only relate to new heritage listings, but to any new land use constraint that a planning authority seeks to apply to land or new development.

Minimum and maximum parking rates

Meriton supports the removal of minimum parking rates (Reform Direction 2.5) as this will allow the market to decide if it wants to build car parking. However, Meriton also recommends that maximum parking rates be considered within the Commission's scope. When these rates are set too low (for example in some areas of the City of Sydney) they can negatively impact the feasibility of new housing developments. **Low maximum car parking rates can make it harder to sell apartments without parking spaces and increase competition for on-street parking resulting in negative environmental and amenity impacts.**

Recommendation

Remove minimum parking rates. Where maximum parking rates are applied, they should be provided in guidance documents only (e.g. Development Control Plans) and not be included as statutory controls (e.g. in Local Environmental Plans). Maximum parking rates – if applied – should be flexible to allow for variations where appropriate.

In addition to appropriate parking rate setting, there are a number of other parking design and allocation mechanisms that can be implemented by government to ensure the delivery of appropriate levels of on-site parking to meet market demand, whilst reducing the cost of delivering housing. These are detailed below.

Above-ground parking

The average cost of constructing a basement car park in Sydney is between \$55,000 and \$110,000 per car space. On some sites, depending on soil conditions and location, the costs can be even higher. In comparison, delivering an above-ground car space costs between \$35,500 and \$61,000 to build.⁶

Planning controls which support the delivery of well-designed above-ground parking would significantly reduce the cost of delivering an apartment, whilst still providing appropriate on-site car parking to meet residents' needs and reduce on-street impacts.

In most QLD jurisdictions, including Brisbane and Gold Coast, the planning controls allow for the delivery of above-ground parking. In both Brisbane and on the Gold Coast, Meriton is currently delivering up to six storeys of above-ground parking within a podium that is integrated into the built form. The design provides for high-quality façade treatments to the above-ground parking area so that the podium is not perceived as a car park when viewed from the streetscape. Examples of Meriton's Alice Street development in Brisbane, and its Ocean development in Surfers Paradise are provided below.

⁶ Rider Levett Bucknall Construction Cost Calculator – <https://www.rlb.com/ccf/#construction-cost-indicator>



Figure 3 – Alice Street, Brisbane



Figure 4 – Ocean by Meriton, Surfers Paradise

In most QLD centre locations where Meriton delivers housing (e.g. Brisbane CBD) there are no maximum height or floor space controls applied by Council. Rather, the maximum height is set by the airport PANS-OPS limits, and built form is controlled through setback, site coverage and landscape controls. In this context, developers are not 'penalised' for delivering above-ground parking, i.e. there is no loss of residential yield.

In NSW, most Councils do not support the delivery of above-ground parking, even where it can be appropriately wrapped or where it is not visible from the public domain. In addition, the application of height and floor space maximum controls means that there can be a loss in residential yield where above-ground parking is proposed.

Recommendation

Encourage above-ground parking (where appropriate) and ensure that planning controls are set so that no residential yield is lost where above-ground parking is provided.

Non-residential parking requirements

As Meriton typically delivers high-rise residential development in centre locations or where ground floor residential uses may not be appropriate, a range of non-residential uses are typically included at the lower levels of Meriton's mixed-use developments. However, the application of stringent non-residential parking controls means that there is limited flexibility to share parking spaces across non-residential uses and/or with residential visitor spaces, even where the peak parking demand for those uses does not overlap.

For example, Meriton is currently constructing a mixed-use development in the Rhodes town centre which will deliver 277 apartments (ranging from one bedroom to three-plus-bedroom units), as well as a 1,700m² medical centre, a childcare centre for over 130 children and approximately 1,000m² of retail/commercial floor space. Council has applied a condition of consent which requires the following specific provision of car parking for each use:

- Residential – 290 resident spaces and 21 visitor spaces
- Medical centre – 12 spaces
- Childcare – 35 spaces
- Commercial/retail – 6 spaces

Not only does the consent not allow for the sharing of car parking spaces across different non-residential uses, but it also prohibits the sharing of residential visitor spaces with non-residential uses. This means that car parking spaces for the childcare (for example) may be unoccupied outside of peak drop off and pick up periods, but not able to be utilised by other non-residential uses.

In NSW, most Councils mandate the rigid separation of residential and non-residential parking without accounting for shared usage. This often results in excess basement car parking which inflates construction costs. In contrast, QLD Councils will generally allow residential visitor spaces to be shared with non-residential uses due to the limited overlap in peak demand for car parking across residential and non-residential uses in mixed-use development.

For example, at Meriton's 'Iconica' development at 152 The Esplanade, Surfers Paradise, Meriton is delivering 647 dwellings and ground floor retail premises. Condition 23 of the consent issued by Gold Coast

Council requires 571 residential spaces, as well as 38 visitor/staff spaces **shared** between residential and non-residential uses.

Recommendation

Sharing residential visitor and retail car parking spaces in mixed-use developments – as well as sharing car parking spaces across different non-residential uses – improves project feasibility by lowering construction costs and reducing the total number of required spaces. This should be a mandatory requirement for all new mixed-use developments.

Car share spaces

Most Councils in NSW apply car share space requirements to new residential development. Not only does this add construction cost, but it also places a significant burden on future apartment owners to manage the operational aspects, costs and risks of the provision of car share spaces on common property with little or no benefit to the owners corporation.

For example, Meriton's 'Ucello' mixed-use development in Pagewood Centro accommodates 375 residential units, as well as ground floor retail space. As part of the consent, Council required the provision of 15 car share spaces (nine dedicated spaces and six shared with a visitor car parking space). In this regard, Council applied the following condition of consent:

*The 15 car share car parking spaces must be operated by a recognised commercial car share operator within the site. Where the commercial car share operator does not own the car share parking spaces, **a contract for the initial operation of the car share spaces by the commercial car share provider must be entered into prior to issue of the final Occupation Certificate.** The maximum size of the car share vehicle shall be equal to, or smaller than, a B99 vehicle (as denoted by AS/NZS2890.1:2004). **The car share spaces must be made available to car share operators without a fee or charge.** The car share spaces must be appropriately line marked and signposted to indicate its usage to be exclusively as a car share space. **The car share spaces must be publicly accessible.** The car share spaces are to be fully operational and the car share scheme operator is to confirm its operation to the Principal Certifying Authority prior to the issue of the final Occupation Certificate.*

The condition applies an unacceptable impost on the owners corporation to bear the costs and risks of the provision of car share spaces on common property, without any requirement for the car share operator – which makes money from its car share services – to pay a reasonable fee to the owners corporation. Car share spaces are notoriously difficult to manage and police for illegal use. Conditions which require public access to be provided to car share spaces place an unfair and significant security risk on an otherwise secure resident car park.

Notably, Brisbane and Gold Coast Councils do not impose car share parking requirements on private developments.

Recommendation

Planning authorities should not be permitted to apply car share parking requirements to residential developments.

Unbundling of parking

In May 2026, the Grattan Institute published a research paper⁷ which notes that letting Australian homebuyers choose the car-parking they need will make housing cheaper and get more homes built faster. It recommended that State and local governments should facilitate the unbundling of car-parking rights from new housing, so that parking spaces can be purchased or leased independently of the home, giving residents greater choice over the parking they pay for.

Meriton supports this recommendation and encourages the Commission to consider the Grattan Institute research paper in finalising its report.

Recommendation

State and local governments should facilitate the unbundling of car-parking rights from new housing, so that parking spaces can be purchased or leased independently of the home.

RELAX OR REMOVE BUILT-FORM CONTROLS THAT LIMIT FLEXIBILITY AND CHOICE FOR HOUSEHOLDS

Meriton strongly supports Reform Direction 2.6, particularly in relation to the removal of maximum floor space controls, as well as minimum dwelling size, balcony size and storage requirements for residential apartments.

In NSW, the Apartment Design Guide (ADG) specifies minimum apartment and balcony sizes, as well as storage requirements, which force developers to design to a specific standard, rather than respond to market demand. Recent research undertaken by the Urban Development Institute of Australia (UDIA) found that the application of the ADG increases costs of a typical apartment by as much as \$82,000.⁸

The ADG should be treated in the same way that the NCC is applied. In other words, where compliance with the design criteria in the ADG is achieved, the proposal should be considered deemed-to-comply. Where a departure from a design criterion in the ADG is proposed, a performance solution should be given reasonable consideration.

For example, the ADG requires 70% of apartments to receive two hours of solar access to living rooms and private open space between 9am and 3pm in mid-winter. This forces a developer into delivering lots of smaller apartments, where the overall number of units receiving solar access can be maximised. It discourages the delivery of larger family apartments, even where the same level of solar access is achieved

⁷ Aruna Sathanapally, Ashleigh Chang, Dominic Behrens, Matthew Bowe, *Wasted space: Axe car-parking rules to ease the housing crisis* (May 2026), Grattan Institute – <https://grattan.edu.au/wp-content/uploads/2026/05/Grattan-Institute-2026-Wasted-Space-Report.pdf>

⁸ UDIA NSW, *Future Apartments: A Reform Agenda for Feasible Housing Delivery* – <https://www.udiansw.com.au/research/future-apartments-a-reform-agenda-for-feasible-housing-delivery-2/>

to the exact same area and façade length of a building. This results in unintended and perverse outcomes and a lack of housing diversity.

Overregulation of design requirements fails to recognise that developers do not want to build an unsellable product, particularly in a competitive market. Developers want a return on their time and capital, meaning they will naturally align apartment design features with what customers will be willing to pay for.

In addition, the wide use of floor space controls across NSW means that developers are penalised for building larger apartments (e.g. apartments that meet accessibility standards), as well as providing enclosed balconies at higher levels in apartment buildings where wind impacts make open balconies unusable.

Most QLD jurisdictions do not specify maximum floor space requirements, and do not dictate balcony sizes or minimum dwelling sizes. This allows Meriton to more readily respond to market demand on our QLD projects without compromising quality or amenity.

A site should not be considered to have additional housing capacity based solely on its permissible floor space ratio (FSR) or height where other mandatory controls make that capacity practically unachievable. When all applicable controls are applied together, the planning framework does not deliver the intended housing capacity. For example, a site might have sufficient FSR to theoretically accommodate 300 apartments, but when setbacks, deep soil, communal open space, parking, solar access, building separation and other requirements are applied simultaneously, the feasible yield may be substantially lower. Local Environmental Plans (LEPs) and Development Control Plans (DCPs) should be reviewed, and housing capacity studies should test the actual development envelope, rather than calculating theoretical capacity from FSR/height alone.

In addition, zoning controls should not seek to artificially control the types of housing developers are able to deliver in residential and mixed-use zones to meet market demand. For example, for Meriton's Suttons development in Zetland (which is located in a mixed-use zone), Meriton had to lodge a rezoning application to allow townhouses to be developed on the site, even though higher density residential development was already permitted on the site. This added significant time to the approval process that was unnecessary given the suitability of the site for townhouse development.

Recommendation

- Remove maximum floor-space ratios.
- Remove restrictions on minimum dwelling sizes, minimum balcony sizes and storage requirements for apartments.
- Treat the ADG as a performance-based tool where full compliance means the development is deemed-to-comply (no further assessment required) and allow performance solutions where strict compliance cannot be achieved.
- Local Environmental Plans (LEPs) and Development Control Plans (DCPs) should be reviewed, and housing capacity studies should test the actual development envelope.
- Allow all types of residential uses in mixed-use and residential zones.

2 MAKE APPROVALS FASTER AND EASIER

EXPAND THE USE OF FAST-TRACK PATHWAYS TO ASSESS SIMPLE DEVELOPMENTS

It is Meriton's view that the Commission's recommendations under Reform Direction 3.2 are unlikely to have any significant impact on assessment and approval timeframes in NSW. Some of these recommendations are being progressed in NSW already and have not resulted in any significant increase in the volume of housing being delivered.

Instead, it is recommended that a **deemed approval period** of six months be applied to developments in NSW. This will make it consistent with the QLD jurisdiction, where deemed approval under the *Planning Act 2016* applies to code assessable applications once the decision period lapses (typically six months).

This would certainly provide a strong incentive for planning authorities to assess development applications efficiently. The length of time something takes to get approved is often more important than how much it costs to deliver a development.

In addition, competitive design processes should be abolished in NSW. These processes add significant cost, delays and complexities to the development assessment process without any tangible quality or amenity outcomes. Further justification for these recommendations is provided below, comparing one of Meriton's QLD projects with a NSW project and demonstrating how inefficient and cumbersome the NSW planning system is. Design excellence requirements in NSW are planning controls that have significant impacts on the cost of delivering housing.

Meriton recently obtained approval for redevelopment of its site at 204 Alice Street, Brisbane to deliver two towers (70 and 79 storeys) accommodating a mix of uses including 795 apartments, 262 serviced apartments, and retail premises. The application was lodged with Brisbane City Council on 2 February 2024 and was approved within nine months – noting that Meriton did not force Council to approve within the deemed approval period due to the efficiency and professionalism with which Council assessed the application. There was *no* requirement for a competitive design process to be undertaken for this development.

In contrast, in NSW, a **deemed refusal period** of 40 days (or 60 days for integrated/designated development) applies, and after that a developer has to take a consent authority to Court if they want to force a decision. The Court process is long, expensive and complex and would be unnecessary if a deemed approval period applied.

In addition, most consent authorities impose onerous design excellence processes on large residential projects. For example, the process for Meriton's development of its Suttons site in Zetland in the City of Sydney LGA commenced in May 2023 with submission of a Draft Design Competition Brief to the City.

The competition winner for the first of three stages of development on the Suttons site was only confirmed 11 months later in April 2024 making the design competition process longer than the entire approval process in QLD.

In March 2025, almost two years after the design brief was first submitted to the City, the DA for the first stage was approved. Similar assessment timeframes have applied to the other two stages of development on the Suttons site, which were determined on 8 May 2025. This was despite a Concept DA already being in

place – which took almost a year to be assessed and determined – and which confirmed the overall built form across the site with which the detailed DAs were consistent. In fact, the planning process for the Suttons site commenced in July 2022 with the lodgement of the rezoning application.

The Suttons development will deliver approximately 850 residential dwellings, as well as retail space and a childcare centre with the tallest building limited to 26 storeys in height. Photomontages and typical tower floorplates for the Alice Street and Suttons developments are provided below. Both projects deliver approximately the same number of apartments. Both projects exhibit design excellence. However, the QLD project took just nine months to proceed through the planning approval system, whilst the NSW project took almost three years from the date the rezoning was lodged.

The design excellence process is a major contributor to unnecessary delays in the delivery of much-needed housing and adds additional upfront costs which impact housing affordability. Competitive design requirements continue to impact project delivery post approval, due to conditions which require the use of the competition winner for all construction documentation. Further detail is provided below.



Figure 5 – Alice Street Photomontage



Figure 6 – Suttons Photomontage



Figure 7 – Alice Street Typical Floorplate



Figure 8 – Suttons Stage 1 Typical Floorplate

Cost Implications

Competition fees – including fees to entrants and selection panel costs – for a competitive design process for development of the scale proposed at the Suttons site add an additional \$2 million (or \$2,350 extra per apartment) to the cost of delivery. Often these fees are dictated by the local Council with very little input from the developer, who pays the fee. These costs are in addition to the costs associated with delays in obtaining planning approvals for development sites that are subject to a competitive design process.

No cost-benefit analysis has ever been provided which demonstrates that there are tangible design benefits delivered through the competitive design process which warrant this additional charge on housing.

Councils will often dictate the requirements for competition architects. For example, the City's Design Competition Policy requires competitors to have received an Australian Institute of Architects commendation or award in the past five years. This limits the ability for developers to choose an otherwise competent architect and means that some very good architects are often overlooked. It also drives up the cost of the competition process.

In addition, winning design architects often fail to consider the feasibility impacts of their design requirements (e.g. use of imported materials). Meriton's analysis indicates that design competitions add an additional \$60,000 in costs per unit overall (including delay and design costs) with no perceptible benefits to residents and property purchasers.

These cost implications continue at the project delivery phase. Most Councils (including City of Sydney and Parramatta Council) apply a standard condition of consent to development which has completed a design excellence process. This condition locks the applicant into a contractual arrangement with the competition winner for design documentation, contract documentation and construction stages of the project including signing off any required certifications for modification applications, construction certificate and occupation certificate stages.

This means that the winning architect can demand a documentation fee that is often more than three times that charged by other architectural firms for post-consent works. The only alternative is to pay the winning architect a fee for sign off on all construction drawings, as well as another firm to actually do the documentation. This can triple the documentation costs of delivering high-rise residential development.

Anti-competitive behaviour

The design excellence condition (referenced above) forces the developer into a contract with the winning architect with no negotiating power, nor a method to break this contract (other than through Council discretion) even if both parties agree. Similarly, there is no exit clause should the winning architect be unable, or unwilling, to complete their obligations due to resourcing issues or if they cease to operate.

The competitive design process locks an applicant into a contract with an external architect at the time the selection panel chooses the winning architect, without any knowledge of the amount the winning architect will charge for design documentation post consent.

The only way to exit this contract is to seek Council's approval to change architects, which is typically denied. This often results in anti-competitive behaviour by the architect that would not ordinarily be tolerated in any

other system or jurisdiction and drives up the cost of delivering housing in NSW without any design excellence outcomes.

The imposition of a contractual obligation as part of a condition of consent results in a range of perverse outcomes, as well as extensive delays and frustrations during delivery of the project. On one of Meriton's project sites, the winning design architecture firm has gone into administration, forcing Meriton to negotiate with Council to replace the original architect with another architect simply to be able to complete the job.

In our view, the application of a condition requiring a developer to enter into a contract with a third party (the architect) with no legal mechanism or contractual review process would not stand up in Court.

Design Review Panels

In addition to the application of the ADG and design excellence requirements, most residential apartment developments in NSW are sent to Design Review Panels for comment before being determined by Councils. This delays the assessment process as most Panels only meet once a month and have long waitlists and lead times for reporting. This adds an unnecessary layer of approval and complexity to the assessment process for apartment buildings in NSW; an assessment process that is already overburdened by onerous and multilayered design requirements for new apartments.

Notably, despite being the product of an extensive competitive design process, all the DAs for Meriton's Suttons site were sent to the Design Review Panel for comment, often resulting in advice that conflicted with that given during the competitive design process.

For Meriton's Pagewood site, even minor modifications (such as unit mix changes) must be sent to the Design Review Panel resulting in significant delays and unnecessary costs and complexity to what would otherwise be simple changes.

Meriton recommends that Design Review Panels be used proportionately and targeted towards proposals where design review can provide a meaningful public benefit. Minor modifications to already-approved developments should not be subject to the same level of design review as a new development. Furthermore, where a development complies with the ADG, referral to a Design Review Panel should not be required.

Recommendation

- Apply a deemed approval period of six months to development applications (particularly in NSW) to incentivise Councils to assess and determine applications efficiently.
- Abolish all design excellence process requirements.
- Use Design Review Panels only for major development. Projects that comply with the ADG or which were subject to a design excellence process should not be sent to a Design Review Panel.

USE STATE-SIGNIFICANT PATHWAYS TO APPROVE DEVELOPMENTS WITH A CLEAR NEED FOR STATE-LED ASSESSMENT

The use of state-significant assessment pathways for major residential developments in NSW is strongly encouraged (Reform Direction 3.3). This is essential in NSW due to the fragmented, small Councils across the State, and inconsistent decision-making across council areas.

A similar process is not necessarily required in QLD due to the presence of large, sophisticated Councils that are readily capable of assessing and determining major residential development applications which prioritise the broader public interest to deliver housing quickly and without State assistance.

Whilst NSW currently has a State Significant Development (SSD) pathway, the criteria and process for inclusion of residential projects into the pathway are not transparent or clear.

Currently, developers in NSW must submit an Expression of Interest (EOI) to the Housing Delivery Authority (HDA). These EOIs are then considered in closed meetings against specific criteria after which a decision is published. Assessment reports or reasons for supporting one project over another are not provided. This has resulted in inconsistent decision-making, a lack of clarity and erosion of trust and transparency in the planning system. Many of the projects that have been accepted into the SSD pathway via the HDA have not proceeded.

The system could be readily improved by identifying specific threshold criteria that automatically qualify a residential project for inclusion in the SSD pathway (e.g. minimum development cost, dwelling numbers and/or locational requirements).

One of the primary reasons why Meriton is investing more in QLD compared to NSW is because the planning system in QLD is predictable and certain. There are clear rules and criteria that, if met, will deliver a certain outcome. This is not the case in NSW. The planning risk associated with delivering housing projects in NSW drives up the cost.

Recommendation

- Implement a clear SSD pathway for residential development in NSW based on quantifiable thresholds such as minimum development cost, dwelling numbers and/or locational requirements.

IMPROVE HOUSING APPROVAL ASSESSMENTS WITH BETTER COORDINATION OF REFERRALS AND TRANSPARENT REPORTING

It is disappointing that the NSW Government has removed its reporting on housing completions at an LGA-by-LGA level from its [Urban Development Dashboard](#). This data is readily available via the Planning Portal and would provide a transparent and measurable mechanism to hold local and State governments accountable for delivery on their committed housing targets.

It is also essential that post-consent performance of approval authorities be tracked and monitored (Reform Direction 3.4). The Department of Planning, Housing and Infrastructure has committed to introducing mandatory standard [conditions of consent](#) to reduce complexity and delays in the delivery of housing in NSW. However, these conditions are limited, and do not prevent Councils from applying their own onerous conditions which significantly impact the ability for developers to deliver housing quickly once a consent has been issued. This is a particular challenge in NSW.

Meriton's Alice Street project in Brisbane has 113 conditions of consent of which just eight (7%) required submission of further detail to Council for approval. No design modifications to the approved plans were required as conditions of consent for Meriton's Alice Street development.

In contrast, the consent for the first stage of the Suttons site in Zetland includes a number of conditions which require submission of updated plans to Council for approval to amend or provide further detail on elements such as balustrade finishes, awnings, lift cores, deep soil areas, glazing, wind barriers, window finishes and even fire hydrant booster cabinets.

For a development that has been through a two-year design excellence and assessment process, the requirement to seek Council approval for further modifications to (often minor) elements post-consent adds an entirely unnecessary and additional regulatory barrier which adds cost and time to the delivery of housing on the site.

The Suttons North East Stage consent includes 160 conditions, of which 36 (23%) require submission of additional information to Council for approval. Many of these requirements relate to minor design details such as storage and letterboxes which do not warrant an additional Council approval process. This adds significant time delays and costs to the assessment process.

In addition, whilst NSW has recently introduced a new 'no environmental impact' modification into the assessment framework, many Councils are reluctant to accept applications under this pathway as they must be approved in 14 days. In QLD, Meriton has successfully sought approval for minor changes to plans (such as balcony sizes) using the 'generally in accordance with' process where the applicant writes to the Council to seek its confirmation that an update to the plans is generally in accordance with the original consent, and Council can simply respond to confirm as such.

Recommendation

- Disallow conditions of consent which require further approval from the relevant planning authority once the consent has been issued.
- Introduce a 'generally in accordance with' process for minor updates to approved plans in NSW.

3 BETTER COORDINATE INFRASTRUCTURE PLANNING AND CHARGING WITH DELIVERY

ALIGNING INFRASTRUCTURE PLANNING WITH HOUSING GROWTH

Meriton supports Reform Direction 4.1 and the Commission's call for all levels of government to document how their infrastructure planning supports housing objectives, especially in existing urban (infill) areas of established cities such as Sydney.

The Australian Government needs to cease funding ad-hoc Council projects (that disproportionately benefit existing homeowners) and instead focus its attention on strategic transport projects that will allow an increase in housing supply. Projects such as heavy rail or Metro extensions to the existing Sydney rail network, especially in Sydney's south-eastern suburbs, where demand for apartments is at its highest, should be a priority for the Australian Government.

For the reasons outlined above, we support the Commission's call (Reform Direction 4.2) for the establishment of an accountability framework with clear responsibilities for each level of government.

Plans for long-term and capital-intensive infrastructure such as new high-frequency Rail/Metro stations should be committed to by State Governments, ideally with funding also from the Australian Government, at least a decade in advance, securing long-term housing supply for 10–20 years.

Without long-term commitments to such housing-enabling infrastructure, developers such as Meriton do not have the certainty needed to plan for and deliver high density projects in areas where housing is both needed and feasible to build.

We support the Commission’s recommendation that governments should report the level of funding allocated to individual infrastructure projects and the expected costs and benefits of major transport projects.

Recommendations

- The Australian Government should prioritise funding for strategic, housing-enabling transport infrastructure – such as heavy rail and Metro extensions in Sydney’s south-eastern suburbs – over ad-hoc local projects that primarily benefit existing homeowners.
- State Governments, with Australian Government co-funding, should commit to long-term, capital-intensive infrastructure (such as new rail and Metro stations) at least a decade in advance, providing certainty for 10–20 years of housing supply.
- Establish an accountability framework with clear responsibilities for each level of government, and require governments to publicly report funding allocated to individual infrastructure projects and the expected costs and benefits of major transport projects.

LIMITING CONTRIBUTIONS TO ESSENTIAL INFRASTRUCTURE

We support the Commission’s best practice principle of only regulating where necessary, including allowing households to choose and pay for features they value. We invite the Commission to examine the types of infrastructure that authorities charge developers for so that it may distinguish between functional (essential) infrastructure and aesthetic (non-essential) infrastructure.

Non-essential infrastructure such as public art or undergrounding of overhead power lines for aesthetic reasons adds thousands of dollars to the cost of each apartment. Wish-lists of desired facilities put forward by Councils to be funded via developer contributions should be independently scrutinised (for example, by IPART in NSW).

At Meriton’s development sites in Zetland and Rhodes, the Councils have imposed a condition requiring an additional 1% of the development cost to be provided in the form of public art. This adds another \$3,000 to the cost of delivering each apartment with the end purchaser unable to choose whether he or she wishes to pay for this additional cost imposed by Council.

Recommendations

- Limit developer contributions to essential (functional) infrastructure that has a clear nexus to the development, consistent with Reform Direction 4.3.

- Remove the ability for planning authorities to levy or condition non-essential items such as public art and the undergrounding of power lines for aesthetic purposes.
- Require Council contribution plans and infrastructure lists to be independently reviewed (for example, by IPART in NSW) to ensure only essential infrastructure is funded through contributions.

AFFORDABLE HOUSING CONTRIBUTIONS

The design of affordable housing contributions also needs reform. Any taxes (or in-kind contributions) must be assessed based on economic feasibility of a project (including bonus FSR), rather than an arbitrary percentage based on factors that do not consider project feasibility. In other words, provision of affordable housing should be incentivised through additional height and floor space, rather than being applied as a requirement.

Where affordable housing contributions are required, it is more feasible to allow developers to deliver and retain affordable dwellings, renting them out as affordable housing for a set period. This allows developers to factor in the potential rental income (albeit lower than market rates) into their feasibility calculations. This has been successfully implemented through the [in-fill affordable housing provisions](#) of *State Environmental Planning Policy (Housing) 2021* which has seen a significant take-up by developers in Sydney.

Recommendations

- Incentivise the delivery of affordable housing through bonus height and floor space, rather than imposing it as a mandatory contribution.
- Where affordable housing contributions are applied, calibrate them to project feasibility (including any bonus floor space) and allow developers to deliver and retain affordable rental dwellings for a set period, consistent with the in-fill affordable housing provisions of the State Environmental Planning Policy (Housing) 2021.

TIMING OF INFRASTRUCTURE CONTRIBUTIONS

The current system of sequencing of contributions towards the start of a project adds tens of thousands of dollars in interest (or opportunity cost) to the end price of each apartment that Meriton builds. We request that all fees, taxes and charges for infrastructure not be collected until the occupation certificate (OC) stage, rather than at the construction certificate (CC) stage.

This issue is particularly relevant to Meriton as we build in infill areas that are mostly slated by Governments as 'well located' with excellent existing infrastructure and amenity. It is highly unproductive for such fees to be paid upfront, with costs then accumulating for the life of the project before ultimately being passed on to the buyer. Such upfront fees may also result in a project being deemed unfeasible, resulting in projects not going ahead and therefore less supply of new market housing.

If Governments are serious about increasing housing supply, they need to fund urgent infrastructure improvements upfront to assist developers with cashflow and therefore project feasibility. As large-scale residential apartment projects can take many years to deliver, such a concession will result in a dramatic increase in project feasibility for all developers.

This also responds to Information Request 4.3. Governments are better placed than individual developers to fund enabling infrastructure upfront, given their lower cost of capital and their ability to recover costs over time. Contributions collected at OC stage – once dwellings have been delivered – can then be used to repay that upfront investment.

Recommendations

- Defer the collection of all infrastructure fees, taxes and charges until the occupation certificate stage, rather than the construction certificate stage.
- Governments should forward-fund priority housing-enabling infrastructure and recover costs through contributions collected once dwellings are delivered.

TRANSPARENT REPORTING OF CONTRIBUTIONS

Meriton is supportive of the Commission's call (Reform Direction 4.4) for governments to adopt centralised reporting of developer contributions collected at all levels of government and progress reports on infrastructure delivery funded by such contributions.

Recommendation

Adopt transparent, centralised reporting of developer contributions collected at all levels of government, together with regular progress reporting on the delivery of the infrastructure those contributions fund.

CONCLUSION

The Commission's Reform Directions rightly focus on the regulatory settings that constrain housing supply. However, the Interim Report gives insufficient weight to certainty. For developers, the time and risk involved in securing an approval are often more important than the direct cost of compliance, and uncertainty is priced into every project.

Our experience in QLD demonstrates that a planning system based on clear rules, consistent decision-making and firm timeframes can deliver high-quality apartments quickly and at scale. In NSW, by contrast, housing must pass through multiple, overlapping layers of design regulation – the ADG, design excellence processes and Design Review Panels – each adding time and cost without clear evidence of benefit. Governments must also confront the trade-off between continually raising standards and ensuring that homes remain feasible to deliver. We urge the Commission to make certainty and feasibility central tests of best-practice housing regulation in its final report.

Should you wish to discuss any aspect of this submission, please contact Mr Robert Cummins, Policy Adviser, on [Redacted] or via email at [Redacted]

Yours sincerely

Director of Planning and Development

Attachment A – Response to information requests

ATTACHMENT A – RESPONSE TO INFORMATION REQUESTS

Meriton's responses to the Commission's information requests are set out below. They draw on the matters raised in this submission; where an information request falls outside our direct experience, this is noted.

Information request	Meriton response
Information request 1.1 - How do housing regulatory systems, specifically, land-use controls, housing-enabling infrastructure and approval processes, affect Aboriginal and Torres Strait Islander people and communities' access to appropriate housing? - How can governments improve housing regulatory systems to better meet the housing needs of Aboriginal and Torres Strait Islander people and communities, in alignment with outcome 9 of the National Agreement on Closing the Gap?	N/A – Meriton has not commented on this information request as it falls outside our direct experience.
Information request 1.2 - What features should governments have in mind when evaluating reforms to move housing regulatory systems towards best practice? - Are the best practice principles and overarching objective (figure 1.2) we have identified appropriate? If not, what changes should be made? - What are some examples of specific housing supply regulations (in Australia or internationally) that: a) exemplify the features of a best practice system for housing regulation; b) clearly do not reflect these features?	Meriton supports the best practice principles, particularly Principle 2: Only regulate where necessary. However, certainty should be added as an explicit feature of best practice. The time and risk involved in securing an approval are often more important to a developer than the direct cost of compliance. Reforms should also be evaluated holistically. Requirements have been layered over time (NatHERS, BCA, BASIX, NCC, Design and Building Practitioners Act) without coordination, and the NCC should be within scope. (a) Examples of best practice (QLD): - Brisbane CBD – no maximum height or floor space controls; built form managed through setbacks, site coverage and landscape controls. - Deemed approval periods, which encourage Councils to assess applications efficiently. Alice Street, Brisbane (795 apartments) was approved in nine months. - Shared residential visitor and non-residential parking in mixed-use developments (e.g. Iconica, Surfers Paradise). - The 'generally in accordance with' process for minor changes to approved plans.

Information request	Meriton response
	(b) Examples that do not reflect best practice (NSW): ▪ Design excellence and competitive design processes. ▪ Referral of projects to Design Review Panels, including ADG-compliant projects, projects that have been through a design excellence process and minor modifications. ▪ Minimum apartment, balcony, storage and solar access requirements in the Apartment Design Guide, which UDIA research indicates add as much as \$82,000 to the cost of a typical apartment. ▪ Car share conditions and the opaque Housing Delivery Authority EOI process.
Information request 2.1 ▪ Do design-focused regulations (e.g. tree canopy requirements, apartment layout and storage) directly impact commercially feasible capacity? ▪ What impact would reducing the coverage of heritage overlays have on housing supply? ▪ What land-use controls need to change to enable more alternative dwelling types to be built? What impact would such reforms have on housing supply? ▪ Is there a need for further reforms to enable a greater supply of small secondary dwellings such as granny flats? ▪ Are there other land-use controls which significantly impact supply? ▪ Can you provide information, data, or analysis on development cost stacks across different housing typologies and geographic areas? ▪ Can you provide information, data, or analysis on the extent to which dense housing typologies differ in commercial feasibility?	Yes. In NSW, the Apartment Design Guide's minimum apartment, balcony and storage requirements force developers to design to a standard rather than to market demand. UDIA research indicates the ADG adds as much as \$82,000 to the cost of a typical apartment, and the solar access criterion pushes developers towards more, smaller apartments rather than larger family apartments. Floor space controls also penalise larger (e.g. accessible) apartments and enclosed balconies at upper levels. Design competitions add around \$2 million in fees on a project the scale of Suttons. Meriton estimates they add around \$60,000 per unit in costs overall. Heritage: Meriton agrees that new heritage listings – and any other new planning control or land use constraint – should be subject to cost-benefit analysis. Alternative dwelling types: all residential uses should be permitted in residential and mixed-use zones. At Suttons, Zetland, Meriton needed a rezoning to build townhouses on a site where higher-density housing was already permitted. Other controls with significant impacts: ▪ Parking – basement parking costs \$55,000–\$110,000 per space in Sydney, compared with \$35,500–\$61,000 above ground. Rigid separation of residential and non-residential parking, car share requirements and low maximum parking rates add further costs. ▪ Prohibitions on residential uses in commercial zones (e.g. Sydney CBD, Chatswood CBD, North Sydney and Bondi Junction). ▪ Non-residential floor space and active frontage controls. At Suttons, the City refused to allow ground floor apartments in tenancies unlikely to attract a commercial tenant.

Information request	Meriton response
	▪ The combined effect of setbacks, deep soil, communal open space, parking, solar access and building separation controls, which often reduces achievable yield well below theoretical FSR capacity. Cost data: Meriton has identified over \$50,000 per apartment in NCC costs imposed since 2019 that could be removed without tangible quality, amenity or safety impacts. Granny flats: Meriton has not commented, as this is outside our experience.
Information request 2.2 ▪ Can you provide information, data or analysis on the degree to which available land is a barrier to new housing supply? ▪ Can you provide examples of released land that has not been able to be developed for housing, and explain the barriers to development in these cases? ▪ Would it be helpful for governments to report a land measure which distinguishes land that is zoned residential, from land that is serviced, approved, infrastructure-ready and commercially feasible to develop?	In established, well-located infill areas, the key barrier is usually not land availability but zoning and feasibility. Sites in centres such as the Sydney CBD, North Sydney, Chatswood and Bondi Junction remain undeveloped because of minimum non-residential floor space requirements or prohibitions on residential uses. Meriton's Chatswood CBD site, for example, is split between MU1 (residential permitted) and E2 (residential prohibited) zoning despite having the same locational attributes. Consolidated, readily developable landholdings close to centres, such as Meriton's Pagewood and Little Bay sites, can deliver large volumes of housing quickly and should be prioritised. Zoned capacity also overstates real capacity. A site with sufficient FSR for 300 apartments may yield substantially fewer once setbacks, deep soil, solar access, building separation and other controls are applied together. Housing capacity studies should test the actual development envelope. Meriton supports a land measure that distinguishes zoned land from land that is serviced, approved and commercially feasible. This is consistent with our support for transparent reporting, including reinstating LGA-level housing completions data in NSW.
Information request 2.3 ▪ What evidence do you have on which land-use controls or combinations of controls are the greatest constraint on housing supply in your jurisdiction? ▪ What reforms to land-use controls are likely to boost housing supply in each jurisdiction? What are the expected impacts? ▪ How should potential reforms be implemented? What does the evidence show about the effectiveness of past zoning and land-use reforms in Australia?	In NSW, the greatest constraints are the combination of: ▪ maximum height and floor space controls ▪ Apartment Design Guide requirements ▪ design excellence processes ▪ parking controls ▪ non-residential floor space and active frontage controls ▪ residential prohibitions in commercial zones.

Information request	Meriton response
What evidence do you have on the effects of mandatory and voluntary inclusionary zoning requirements for affordable housing on housing supply and affordability?	By contrast, the QLD approach allows Meriton to respond to market demand without compromising quality. Meriton now has over 3,000 dwellings under construction in QLD and has not purchased a new NSW site in over five years. Priority reforms are those set out under Reform Directions 2.2, 2.4, 2.5 and 2.6 in this submission, including defining 'high-demand areas' to capture aspirational demand. Inclusionary zoning: mandatory requirements set as an arbitrary percentage do not account for project feasibility. Affordable housing should be incentivised through bonus height and floor space. The in-fill affordable housing provisions of the Housing SEPP 2021 – which allow developers to hold and rent affordable dwellings for a set period – have seen significant take-up in Sydney.
Information request 3.1 - What evidence do you have for the main causes of delays in receiving approvals for new housing? - When is discretion useful in planning processes, and when is it not useful? Are there examples of subjective requirements that should be changed or removed to improve certainty for developers? - How should third-party appeal processes be changed to better balance the benefits they provide to community members and the uncertainty and delay costs they impose on developers?	Meriton's Alice Street (Brisbane) and Suttons (Zetland) projects deliver a similar number of apartments and both exhibit design excellence: - Alice Street was approved in nine months, with no design competition. - At Suttons, the design competition alone took 11 months. The overall process took almost three years from lodgement of the rezoning to final DA approval, despite a Concept DA being in place. The main causes of delay in NSW are design excellence processes, Design Review Panel referrals (most panels meet only monthly and have long waitlists), the absence of an effective deemed approval mechanism, and post-consent conditions requiring further Council approval. Discretion is least useful where it replaces clear rules. Subjective design excellence requirements, and the opaque HDA process for entry into the SSD pathway, reduce certainty and should be replaced with clear, quantifiable criteria. The ADG should operate in the same way as the NCC: compliance should be deemed-to-comply, with performance solutions given reasonable consideration. <u>Third-party appeals should not be permitted.</u> They are permitted in the Victorian planning system, where they clog up VCAT with unsubstantiated appeals and place greater risk and uncertainty on the housing delivery process.
Information request 3.2 Which specific requirements (for example specific reports or referrals to an agency) are most onerous to comply with when receiving a development approval?	The most onerous requirements are: Competitive design processes, and the related consent condition that locks the developer into a contract with the winning architect. This can triple documentation costs.

Information request	Meriton response
- Are there any requirements for development approval that should be removed? In these cases, how should any risks be mitigated? - What could each state and territory do, if anything, to improve the process for receiving subdivision approvals?	- Conditions requiring further Council approval after consent is granted. At Suttons North East, 23% of 160 conditions require this, compared with 7% of 113 at Alice Street. - Car share conditions and rigid parking allocation conditions. - Design Review Panel referrals, even for minor modifications such as unit mix changes (e.g. Meriton's Pagewood site). - Council-imposed eligibility requirements for competition architects, which limit developer choice and drive up competition costs. - Council reluctance to accept 'no environmental impact' modifications, which must be determined within 14 days. These requirements should be removed or scaled back, and a 'generally in accordance with' process introduced for minor changes to approved plans, as used in QLD. Design quality risks are adequately managed through standard built form controls, as QLD demonstrates. <u>Subdivision approvals:</u> In NSW, strata subdivision of residential apartments can be undertaken as complying development within the first five years of a development consent being issued. It is recommended that this be increased to 15 years to align with the timeframe for which affordable housing units delivered under the in-fill affordable housing provisions of the Housing SEPP must be rented as affordable housing and therefore cannot be readily subdivided and sold.
Information request 3.3 - Is improving the coordination of the approvals process a higher or lower priority than reforms to reduce the amount of approval requirements? - Are there any examples of where coordination bodies are or are not working? What are the features of coordination bodies which make them successful? - How effectively are reforms to planning rules, such as SA's Planning and Design Code and Victoria's Clause 55, working to make approvals more certain?	Reducing approval requirements should be the higher priority. Unnecessary requirements such as design competitions and post-consent approvals add cost and delay regardless of how well the process is coordinated. Layered processes also produce conflicting advice – at Suttons, Design Review Panel advice often conflicted with advice given during the competitive design process. In NSW, the Housing Delivery Authority considers EOIs in closed meetings without publishing assessment reports or reasons. This has led to inconsistent decisions and an erosion of trust, and many projects accepted into the pathway have not proceeded. Successful coordination bodies need transparent, quantifiable entry criteria (e.g. minimum development cost, dwelling numbers or location). Meriton has not commented on the SA and Victorian reforms.
Information request 3.4	Best practice: large, well-resourced QLD Councils such as Brisbane and Gold Coast assess major residential applications efficiently against clear rules, prioritising the public interest in delivering housing.

Information request	Meriton response
- What examples are there of best-practice strategic planning improving the process for housing approval decisions? - Do the features of tiered assessments we have identified match best practice? What sort of developments should be included in each tier? - How effective has technology including AI been where it has been used to assist with approvals? - What are the best ways to enhance how states and territories track the timing and burden of approvals? - What reforms should each state and territory prioritise to reduce the burden of the approvals process? - How can governments incentivise councils to approve developments efficiently? - What evidence is there about the benefits of including social and affordable housing in state-significant, or other streamlined, pathways?	Tiers: in NSW, large residential projects should automatically qualify for the SSD pathway based on quantifiable thresholds. SSD applications accounted for three quarters of the increase in housing across NSW. Tracking: reinstate LGA-level housing completions reporting on the NSW Urban Development Dashboard. Also track post-consent performance, including the number of conditions requiring further approval. NSW priorities: - a six-month deemed approval period - abolition of design excellence processes - a transparent SSD pathway - treating the ADG as deemed-to-comply - limiting Design Review Panel referrals to major development - introducing a 'generally in accordance with' process for minor changes to approved plans - prohibiting conditions requiring post-consent approval. Incentives: a deemed approval period provides a direct incentive for Councils to determine applications efficiently. Meriton has not commented on technology/AI or on social and affordable housing in streamlined pathways.
Information request 4.1 What reforms are required to infrastructure planning and coordination to support more timely utility connections? To what extent is there misalignment of incentives between each level of government and infrastructure service providers?	Meriton supports an accountability framework with clear responsibilities for each level of government and infrastructure providers (Reform Direction 4.2). Incentives can be misaligned. For example, Councils may seek to preserve commercial zoning partly because of the higher rates collected from businesses than from residents, even where there is no demand for commercial floor space. Meriton has not otherwise commented on utility connections.
Information request 4.2 What feedback do you have on our reform directions for infrastructure planning? To what extent will these resolve the planning coordination issues and address constraints to housing supply?	Meriton supports Reform Directions 4.1 and 4.2. To resolve coordination issues, governments should: commit to long-term, capital-intensive infrastructure (such as new rail and Metro stations) at least a decade in advance, giving certainty for 10–20 years of housing supply

Information request	Meriton response
How should reforms to infrastructure planning be implemented and what are the main challenges?	report funding allocated to individual projects and the expected costs and benefits of major transport projects. Implementation should use 'expandable' transport infrastructure. Rapid bus services can unlock housing growth and preserve corridors for later light rail or Metro upgrades as population grows, as proposed for the Anzac Parade corridor. This avoids high upfront costs and links transport spending to population growth.
Information request 4.3 How can governments balance the need to support feasibility for developers by collecting developer contributions later in the development process, with a need for upfront funding to kickstart infrastructure to support new housing?	All infrastructure fees, taxes and charges should be collected at occupation certificate stage rather than construction certificate stage. Upfront collection adds tens of thousands of dollars in interest per apartment and can render projects unfeasible. Governments are better placed to forward-fund enabling infrastructure, given their lower cost of capital. They can recover the cost through contributions collected once dwellings are delivered. Demand for major new transport infrastructure typically arises only once a community reaches critical mass. By then, governments will have collected significant contributions and other taxes that can be invested.
Information request 4.4 - Are our directions for improving developer contribution frameworks addressing key infrastructure challenges that will support housing supply? What evidence or case studies support this? - How should reforms be designed to overcome the implementation challenges including determining nexus, fair apportionment, accurate upfront cost estimates, timing and funding sequencing, and first mover disadvantages?	Meriton supports Reform Directions 4.3 and 4.4. Contributions should be limited to essential infrastructure with a clear nexus to the development. At Meriton's Zetland and Rhodes sites, a condition requiring 1% of development cost for public art adds around \$3,000 per apartment. Purchasers have no choice in paying it. To address nexus, contribution plans and infrastructure lists should be independently reviewed (for example, by IPART in NSW). Affordable housing contributions should be assessed on project feasibility rather than set as an arbitrary percentage. Contributions should be deferred to occupation certificate stage and reported centrally and transparently.
Information request 4.5 Are our proposed roles for the Australian Government in supporting housing-enabling infrastructure useful and appropriate to support new housing? What other roles should we consider?	The Australian Government should stop funding ad-hoc Council projects that disproportionately benefit existing homeowners. Instead, it should prioritise strategic transport projects that enable more housing, such as heavy rail or Metro extensions in Sydney's south-eastern suburbs, where demand for apartments is highest.

Information request	Meriton response
	It should also co-fund long-term State infrastructure commitments and support an accountability framework across levels of government.
Information request 5.1 ▪ Which of the reform directions will be relatively easy or hard to implement and why? Are there any examples of ‘quick wins’ that could be achieved? ▪ Are there any co-dependencies or sequencing considerations across the reform directions? ▪ How can the Australian Government ensure housing regulatory system reform is implemented in a manner that supports all governments’ commitments under the National Agreement on Closing the Gap? ▪ How can the Australian Government best support state and territory and local governments to shift housing regulatory systems towards best practice?	Quick wins, which require no new infrastructure spending: ▪ removing minimum parking rates and car share requirements ▪ abolishing design excellence processes ▪ introducing a deemed approval period ▪ prohibiting conditions requiring post-consent approval ▪ limiting Design Review Panel referrals to major development ▪ introducing a ‘generally in accordance with’ process for minor changes to approved plans ▪ reinstating LGA-level completions reporting in NSW. Co-dependencies: Reform Direction 2.2 should be implemented together with Reform Direction 2.6 and with infrastructure planning. More broadly, planning reform will be undermined if other parts of the system – such as the NCC – continue to add cost, so reforms should be considered holistically. Meriton has not commented on the Closing the Gap question.