

RESPONSE TO THE PRODUCTIVITY COMMISSION

Housing Supply Regulation Inquiry — Interim Report Overview

Residential Land Lease Communities: Response to the Interim Report

Submitted by:

Caravan Industry Association of Australia

National peak body representing caravan and residential park operators and developers across Australia

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Introduction

Caravan Industry Association of Australia (CIAA) welcomes the Productivity Commission's interim report on housing supply regulation and thanks the Commission for the opportunity to respond. CIAA is the national peak body for the caravan, camping, and residential park industry, and represents operators and developers of Residential Land Lease Communities (RLLCs) across Australia through a network of state and territory members.

Our initial submission to this inquiry, lodged in June 2026, set out the regulatory barriers facing the RLLC sector and made nine specific recommendations. This response addresses the interim report directly, maps our sector's experience against the Commission's reform directions, and provides additional evidence on issues the interim report raises.

We note with appreciation that the interim report directly recognises land-lease communities as 'land-efficient alternative housing models' that 'can enable supply by encouraging efficient land use and can promote affordability by facilitating downsizing and freeing up existing homes.' The report also acknowledges that 'despite their increasing demand, land-lease models are treated inconsistently or not addressed in regulation,' and cites CIAA's submission and Victorian sector data in support of both propositions. This recognition is an important foundation. The purpose of this response is to assist the Commission in translating that recognition into concrete recommendations in the final report — recommendations that address the specific, documented barriers the sector faces rather than noting them in passing.

Alignment with the Commission's Best Practice Principles

We support the Commission's four best practice principles and its overarching objective of a regulatory system that enables enough housing to meet people's needs. RLLCs sit squarely within that objective. They provide affordable home ownership, community-oriented living, and shared amenities to Australians who are downsizing from family homes. Each RLLC home sold also releases a family home back into the broader market, delivering a supply multiplier that benefits all housing types.

Applying the Commission's own principles to the RLLC sector reveals consistent, systematic failure:

- Adopt a build mindset: Planning frameworks across most jurisdictions actively prevent RLLC development through the absence of a dedicated land use category, metropolitan exclusions, and LGA-level prohibitions. The default is not 'build' but 'assess as novel.'
- Only regulate where necessary: NSW requires RLLC developers to navigate two entirely separate legislative frameworks in sequence — the EP&A Act and the Local Government Act — a dual burden not imposed on any other housing type.
- Coordinate with infrastructure: RLLC developers fund all internal infrastructure themselves. Development contribution frameworks calculate charges as if the community placed per-dwelling demands on public infrastructure, which it does not. The entire community has a single connection point to the external network.
- Keep the process simple: RLLC approval timelines are too long across most jurisdictions. NSW Property Council research surveying 14 NSW land lease developers found average DA approval times of 17.4 months — a burden that falls entirely on investors and developers before a single home is built. Approval delays are not caused by the complexity of the development itself but by the absence of a dedicated planning category and a clear assessment framework.

Responses to Information Requests

Chapter 2: Land-Use Controls

INFORMATION REQUEST | 2.1

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?

The interim report identifies land-lease communities by name as housing models governments should promote through reform direction 2.6 (remove restrictions on housing types). We support this direction and provide the following evidence on what specifically needs to change.

In most Australian planning schemes, there is no dedicated RLLC land use category. Each application is assessed against available zone categories (residential, caravan park, manufactured home estate, tourist accommodation) with no consistent outcome. Two identical RLLC proposals in adjacent local government areas may receive different treatment, face different conditions, and produce different outcomes. This is not a feature of the development; it is a failure of the regulatory framework that the interim report correctly identifies.

The most impactful land-use reform for the RLLC sector would be to direct states and territories to incorporate a consistent RLLC definition into their planning frameworks and mandate RLLC permissibility in relevant zone categories. This single reform would eliminate the most common source of approval delay and investor uncertainty.

The scale of impact is significant. Victorian sector research estimates that 183,585 additional RLLC homes could be delivered to 2051 if regulatory barriers are removed. Under current settings, only 32,400 can be built. Each RLLC home also releases a family home into the broader market, so the supply effect is more than double the RLLC home count alone.

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?

For the RLLC sector, the following land-use controls are the most binding constraints, in order of impact:

- Absence of a dedicated RLLC planning category: present in most jurisdictions, this forces case-by-case assessment and drives the majority of approval delay.
- Metropolitan exclusions: the State Environmental Planning Policy (Housing) 2021 prohibits new manufactured home estates in the Sydney metropolitan region under a restriction dating from the 1990s. This excludes RLLCs from the highest-demand location in NSW, where the concentration of older Australians seeking downsizing options is greatest.
- LGA-level prohibition: in several metropolitan local government areas across Australia, RLLCs are not permitted under any zone category. Councils curtail RLLCs at the local level partly because they view the single-lot rating structure as a poor revenue source,

without taking into consideration developer-funded infrastructure, services and facilities. State-level planning mandates are the only effective remedy.

- Zoning categorisation: most planning schemes do not contain a zone category that matches the RLLC form — individual homes on leased land with shared facilities. Councils applying residential zones may find RLLCs excluded by tenure or lot-ownership requirements; those applying caravan park or tourist zones impose conditions designed for temporary accommodation. Legitimate residential housing ends up in the wrong planning category, generating delays and inappropriate conditions that do not apply to comparable housing types.

These reforms address the RLLC-specific regulatory layer, but broader planning system reform is also necessary — faster assessment timeframes, clearer decision frameworks, and reduced LGA discretion over housing types. For RLLCs specifically, incorporating a consistent planning definition and mandating permissibility in relevant zones would remove the most common source of approval delay. In NSW, removing the Housing SEPP prohibition on manufactured home estates in the Sydney region would be the highest-impact single RLLC reform available.

Chapter 3: Approvals

INFORMATION REQUEST | 3.2

Which specific requirements are most onerous to comply with when receiving a development approval? Are there any requirements for development approval that should be removed?

For RLLC developers in NSW, the most onerous approval requirement is the dual-system process. Development consent operates under the Environmental Planning and Assessment Act 1979 and associated state environmental planning policies. Design, layout, and operational approval operates separately under the Local Government Act 1993 and the Local Government (Manufactured Home Estates, Caravan Parks, Camping Grounds and Moveable Dwellings) Regulation 2021. These systems run in sequence. No other residential housing type in NSW carries this two-stage burden.

In Victoria, the most onerous requirement is the assessment and determination stage itself. In the absence of a dedicated planning category and assessment framework for RLLCs, planners in local councils treat each application as novel. As a result, assessment and determination can take twice as long as for similar applications in other states. During assessment, councils can add new submission requirements and ask for further information at any stage. They can also impose general conditions put forward by referral authorities who have not considered the application in detail and may never have had a discussion with the applicant about the conditions imposed and potential solutions.

Manufactured homes face a further specific burden. In NSW, manufactured homes fall outside the definition of 'building' under the EP&A Act. The Building Commission NSW's Building Productivity Reforms are addressing this, but planning reform must proceed in parallel. In several other jurisdictions, developers commission structural engineering reports for homes already certified at the factory, duplicating compliance cost without improving safety outcomes.

INFORMATION REQUEST | 3.4

What reforms should each state and territory prioritise to reduce the burden of the approvals process? How can federal, state and territory governments incentivise councils to approve developments efficiently?

The single highest-priority reform for the RLLC sector across all jurisdictions is a dedicated 60-day deemed-to-comply approval pathway. Applications that meet published, performance-based design standards should receive approval within 60 days. This directly implements Reform direction 3.2 (expand fast-track pathways) for an under-served housing type.

To address council-level resistance, the Commission should consider recommending that state governments mandate RLLC permissibility and remove LGA discretion to prohibit this housing type. The financial disincentive that drives council resistance — the single-lot rating structure — is a matter for rating reform, not planning policy. States should decouple the two issues: reform rating frameworks separately and not allow the rating structure to function as a de facto planning veto.

For NSW specifically, merging the dual EP&A Act and Local Government Act approval pathway into a single process and introducing Site Compatibility Certificates to fast-track rezonings would remove a significant structural burden. The industry has sought this reform for over a decade. A merged pathway alone, however, would not resolve all approval delays — broader planning system reform and clearer LGA guidance are also necessary to achieve consistent outcomes.

For Victoria, directing the state government to incorporate a formal RLLC planning definition into the Victoria Planning Provisions and establish a 60-day deemed-to-comply pathway — as recommended by Caravan & Residential Parks Victoria — would deliver the most immediate supply benefit.

Chapter 4: Infrastructure and Developer Contributions

INFORMATION REQUEST | 4.3 and 4.4

How can governments ensure contributions reflect the accurate cost of providing infrastructure? Are our directions for improving developer contribution frameworks addressing key infrastructure challenges?

The Commission's reform directions on developer contributions are strongly supported, and the RLLC sector provides one of the clearest available examples of why nexus-based contribution reform matters.

RLLC developers fund all internal infrastructure themselves: roads, footpaths, stormwater management, utility connections, waste services, landscaping, and shared facilities. The operator retains ownership of this infrastructure for the life of the community and pays council rates on the entire site. The community has a single point of connection to the external road and utility network. It does not place per-dwelling demands on public infrastructure.

Despite this, contribution frameworks in most jurisdictions calculate RLLC charges on the same per-dwelling basis as conventional residential subdivisions. Open space contributions are applied to communities that already include parks, gardens, and recreational facilities funded entirely by the developer. Social infrastructure contributions are levied for schools and community buildings that the RLLC resident population, predominantly aged 50 and over, does not use.

These contributions have no nexus to the actual demand the development places on public infrastructure. They are precisely the type of contribution Reform direction 4.3 should remove. We ask the Commission to recommend explicitly that contribution frameworks across all jurisdictions be reformed to:

- Calculate RLLC developer contributions based on the single external connection the development places on public infrastructure, not per dwelling.
- Credit shared internal facilities (parks, gardens, recreational areas) against open space contributions.
- Remove social infrastructure contributions for facilities the RLLC demographic does not use at rates comparable to the general population.

The rating of RLLC land for council rate purposes requires separate treatment and differs by jurisdiction. In NSW, the operator's land is rated under the business category as a single lot — not assessed per dwelling. The concern among NSW councils is that this single-lot approach yields less revenue than a per-dwelling residential rate. The RLLC sector's position is not that operators should pay less than their fair share; it is that the calculation of what constitutes a fair share needs review. Operators provide and maintain infrastructure, facilities and services that would otherwise fall to council. Rating frameworks should account for this when determining the appropriate rate level — the question is one of quantum, not method.

- Review rate calculations for RLLC land to ensure they reflect the infrastructure, services and facilities that operators provide, and adopt a consistent approach to single-lot rating across NSW councils.

Additional Evidence: Social and Lifestyle Benefits of RLLCs

The Commission's overarching objective refers to housing that meets people's needs, not only in terms of shelter, but in terms of access to services and quality of life. We draw the Commission's attention to an aspect of the RLLC model that is not always captured in planning or affordability analysis: the social and lifestyle outcomes the model delivers for older Australians.

RLLC communities are typically developed with shared amenities that would be out of reach for many individual homeowners: swimming pools, tennis courts, lawn bowls greens, community halls, walking trails, and common gardens. These are not luxury features. For active retirees on fixed incomes who have downsized from larger family homes, shared access to these facilities represents a material improvement in quality of life that the land lease model makes financially possible. The cost of these amenities is spread across the community through site rents and funded by the operator, not by individual residents paying capital costs upfront.

Beyond physical amenities, RLLC communities generate significant social outcomes. Resident committees organise regular events — social gatherings, fitness activities, hobby groups, community meals. This structure creates social connection that directly addresses the isolation risks facing older Australians living alone. Research consistently links social isolation in older adults to higher rates of cognitive decline, depression, and preventable hospitalisation. Communities that provide structured social participation reduce these risks and reduce the downstream burden on health and social support systems.

These outcomes are relevant to the Commission's inquiry because they represent a form of value that planning systems currently fail to account for. An approval process that blocks or delays an RLLC development does not simply defer housing supply — it defers all the social and health outcomes that come with it. The Commission's best practice principles should recognise that housing that meets people's needs includes the social dimensions of where and how they live, not only the physical structure of the dwelling.

We ask the Commission to note in its final report that shared amenity and structured social participation are features of the RLLC model that deliver measurable public benefit, and that these benefits should be a factor in assessing the community value of removing regulatory barriers to RLLC development.

Specific Asks for the Final Report

Drawing on our initial submission and this response, we ask the Commission to include the following in its final report:

- Explicitly reference Residential Land Lease Communities as a housing type to which the reform directions apply, and ensure the final report's recommendations address RLLC-specific barriers rather than treating all housing as a single category.
- Recommend that all states and territories incorporate a consistent RLLC planning definition and mandate RLLC permissibility in relevant zone categories, implementing Reform direction 2.6 specifically for this housing type.
- Recommend removal of the Housing SEPP prohibition on manufactured home estates in the Sydney metropolitan region as a specific, high-impact, low-complexity reform.
- Recommend dedicated 60-day deemed-to-comply approval pathways for RLLC developments meeting performance-based design standards, as a direct application of Reform direction 3.2.
- Recommend that NSW merge its dual EP&A Act and Local Government Act approval pathway into a single process for RLLC and related developments, as part of a broader package of planning system reform. Note that a merged pathway alone will not resolve all approval delays; complementary reforms to assessment frameworks and LGA guidance are also necessary.
- Recommend that contribution frameworks across all jurisdictions be reformed to apply a nexus test to RLLC developments, removing contributions that do not reflect the actual public infrastructure demand the development places on local government.
- Direct the Australian Government to count RLLC homes formally in National Housing Accord reporting and targets, and to make RLLC developments explicitly eligible for the Local Infrastructure Fund.
- Recognise in the final report the social and lifestyle benefits of the RLLC model — including shared amenities and structured community participation — as relevant to the Commission's objective of housing that meets people's needs.

Conclusion

The Productivity Commission's interim report correctly identifies that land-use controls, approval burdens, and contribution frameworks are the key regulatory barriers to housing supply. The RLLC sector provides a specific, well-documented example of all three failing simultaneously. The sector is capital-ready, demand-driven, and operationally proven. The barriers are regulatory, not commercial.

Removing those barriers would deliver homes faster than conventional construction, at lower entry prices, with supply multiplier effects on the broader market, and with social and community outcomes that serve Australia's ageing population. We ask the Commission to ensure that residential land lease communities are explicitly addressed in the final report and that the reform directions apply to them with the same force as to other housing types.

CIAA and its state and territory affiliates stand ready to provide further evidence, case studies, or participation in the Commission's consultation program. We welcome the opportunity to work with the Commission toward a final report that fully captures the sector's potential contribution to Australia's housing challenge.

About Us

Caravan Industry Association of Australia is the national peak body for the caravan, camping, and residential park industry. CIAA works through a network of state and territory associations whose stakeholders operate caravan parks and residential land lease communities across Australia.

CIAA represents a sector that contributes significantly to Australian housing supply, tourism infrastructure, and regional economies. Residential land lease communities form a growing and increasingly critical part of that contribution, addressing the housing needs of active retirees who seek affordable, independent, community-oriented living.

The Residential Land Lease Alliance (RLLA) is Australia's peak advocacy forum for Residential Land Lease Communities. The RLLA is a sub-committee of the Caravan Industry Association of Australia. The Alliance's vision – through our national Caravan Industry association - is to make housing more affordable - and more obtainable - for more Australians.

Our state and territory affiliates work directly with their respective state governments on housing policy. Their experience and evidence inform this submission. This submission draws on documented policy analysis from Caravan & Residential Parks Victoria (CRPVic) and from the Caravan, Camping and Touring Industry and Manufactured Housing Industry Association of New South Wales, which has sustained a decade-long advocacy program for planning reform in NSW. Both affiliates have provided quantitative data and regulatory analysis used throughout.



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