

## **City of Coffs Harbour Submission**

### **Australian Productivity Housing Supply Regulation – Interim Report**

Submission by the City of Coffs Harbour

September 2026

This staff submission has been prepared by the City of Coffs Harbour (the City) in response to the release of the 'Australian Productivity Housing Supply Regulation – Interim Report', September 2026 prepared by the Australian Government Productivity Commission.

#### **A – GENERAL COMMENTS**

- The City of Coffs Harbour (the City) welcomes the opportunity to provide comment on the Productivity Commission Housing Supply Regulation – Interim Report (Interim Report).
- The Coffs Harbour Local Government Area (LGA) is located on the traditional lands of the Gumbaynggirr people. The regional city is strategically positioned in the Mid North Coast of New South Wales between South-East Queensland and Sydney and represents a key service area for the surrounding region in relation to health, education, housing and employment.
- Aboriginal and Torres Strait Islander people make up 5.7% of the population in Coffs Harbour LGA. 54% of Aboriginal and Torres Strait Islander residents access housing via rentals, with approximately 27.4% experiencing housing stress.

Governments continue to seek collaborative approaches with the Aboriginal and Torres Strait Islander people, however there remains a lack of acknowledgement surrounding the resources and support required by local Aboriginal communities and Land Councils. The weight of the planning system continues to be shifted towards Aboriginal organisations and communities, who are provided with minimal guidance, support or resources to navigate the complexity associated with this.

- Coffs Harbour is uniquely different from other councils in regional NSW and faces challenges different to those experienced by other councils within its own region. Significant urban renewal is on the horizon for Coffs Harbour. This growth and change requires local solutions due to place-based constraints, such as high water tables, acid sulfate soils, high biodiversity values (including the Solitary Islands Marine Park), and significant flood, coastal and bushfire hazard).

Reflective of these unique values, the Coffs Harbour Local Growth Management Strategy (LGMS) 2020 (which has been endorsed by the NSW Government) seeks to deliver a sustainable compact city growth model to maximise housing choice, environmental, social and economic outcomes for our community. This best practice growth model will protect important agricultural land and high biodiversity values within the Coffs Harbour LGA.

Delivery of this infill and renewal growth model still requires significant infrastructure upgrades of which only a portion can be feasibly funded through new development. Infrastructure funding to facilitate growth in the regions should be prioritised where more sustainable outcomes are achieved, as opposed to rewarding costly urban sprawl which impacts on rural production and high conservation value land.

- The report acknowledges that interest rates and construction costs have reduced the financial feasibility of many projects. However, several major influences on housing delivery sit outside the inquiry's scope, including taxation, interest rates, finance, construction labour, supply chains, building-material costs and the National Construction Code. This is an important limitation. Large numbers of homes with planning approval remain unbuilt because of feasibility, financing, infrastructure and construction constraints. Planning reform has an important role, but Australia's housing shortage cannot be addressed without action across the entire housing delivery system.
- The City supports the Commissioners key conclusion that land-use reform and infrastructure coordination are likely to have the greatest impact on housing supply. The City agrees that improving approvals processes for new housing will help reduce costs and speed up the delivery of new housing supply, however the impact of any changes on their own will likely be small relative to reforms on land use controls and infrastructure provisions.
- The City generally supports the proposed reforms on allowing three-storey development across most residential land, more apartments in 'high-demand areas' and fewer land-use and built-form controls, where supported by targeted and specific strategic planning to support reforms to land-use controls.
- The City supports the proposal to facilitate additional dwellings in already zoned residential land and in locations of 'high demand areas', but only where robust built form controls remain to ensure amenity of residents, adjoining neighbours and quality design outcomes are achieved.
- The City considers the application of floor space ratio requirements in planning controls to serve a purpose in situations where there is an absence of built form controls, or where it has been identified in site specific strategic planning investigations.
- The City acknowledges the use of AI to assist planners to identify potential problems with applications upfront and application of AI in strengthening the NSW Planning Portal for better reporting of approval outcomes to help governments identify where delays are occurring and target reform at the barriers actually preventing housing delivery.
- The City welcomes the focus on strategic planning to deliver more homes and better places. It strongly supports earlier strategic planning and better coordination of housing-enabling infrastructure to support growth. However, local government has long carried an unsustainable burden in funding and delivering the critical infrastructure new communities require. Councils are expected to accommodate population growth and create liveable communities while facing rising construction costs and developer contributions that do not keep pace.

## **B – DETAILED COMMENTS**

The City makes the following detailed responses to the proposed Reform directions within the Interim Paper.

### *Relax land-use rules where people want to live*

The Commission considers reforming land-use controls to increase housing density in cities likely to have the greatest effect on supply.

The proposed reform directions include:

- Reform direction 2.1 - *Allow up to 3 storey developments across most residential land*
- Reform direction 2.2 - *Allow mid rise or high rise apartments in high demand areas*
- Reform direction 2.3 - *Reduce or remove minimum lot size requirements*
- Reform direction 2.4 - *Allow residential development in commercial zones , unless there is a clear rationale for excluding it*
- Reform direction 2.5 - *Review, reduce and remove land-use controls that reduce commercial feasibility and do not adhere to best practice principles*
- Reform direction 2.6 - *Relax or remove built-form controls that limit flexibility and choice for households*

The City provides the following comments:

- Relaxing land-use controls through a blanket three-storey uplift may not fully recognise the complexity of the issues being addressed and could benefit from a more nuanced, place-based approach.
- The City supports reforms that encourage greater housing diversity and density in well-located areas. However, opportunities for additional density are best informed by robust strategic planning frameworks. Locations vary in terms of infrastructure capacity, transport accessibility, environmental constraints, hazard exposure and development feasibility. Strategic planning provides the evidence base needed to identify appropriate areas for growth and to ensure that supporting infrastructure and services can be delivered effectively.
- While the City acknowledges higher density, in some circumstances, may improve development feasibility, it considers that any review of built form controls should continue to maintain a high standard of residential amenity. Requirements for private space, access to solar, minimum sizes for apartments and balconies play an important role in supporting the ‘liveability’ of future housing.
- The City supports reviewing minimum parking requirements. The City acknowledges in some circumstances parking requirements may result in increasing development costs and reducing opportunities to utilise land more efficiently. However, this should be balanced where adequate and accessible public transport and active transport infrastructure is provided.

- The City has concerns regarding the proposed broad reforms, noting that they may limit the ability to respond to local circumstances and community needs. Coffs Harbour is uniquely different from other councils in regional NSW and faces challenges different to those experienced by other councils within its own region. Significant urban renewal is on the horizon for the Coffs Harbour City Centre, Park Beach, and the Jetty precinct (including the Jetty foreshore). This growth and change requires local solutions due to place-based constraints, such as high water tables, acid sulfate soils, high biodiversity values (including the Solitary Islands Marine Park), and significant flood, coastal and bushfire hazards).

#### *Make approvals faster and easier*

The Commission proposes faster and more predictable approvals; expanding fast-track pathways for straightforward, low-complexity development.

The proposed Reform directions include:

- *Reform direction 3.1 - Consider infrastructure requirements and trade offs associated with development early through strategic planning.*
- *Reform direction 3.2 - Expand the use of fast track pathways to assess simple developments.*
- *Reform direction 3.3 - Use state significant pathways to approve developments with a clear need for state led assessment.*
- *Reform direction 3.4 - Improve housing approval assessments with better coordination of referrals, use of technology including AI, and transparent reporting.*

Other important points include:

- use of state-significant pathways to approve developments with a clear need for state-led assessment,
- greater use of pattern-book designs,
- better coordination of referrals between agencies,
- greater use of technology, including using AI to help decision makers and applicants understand regulatory requirements and identify potential problems with applications, and
- more meaningful public reporting of the planning approvals process.

The City provides the following comment:

- The City supports prioritising strategic planning and technical investigations upfront to facilitate the efficient delivery of housing in areas of greatest demand.
- The City supports efforts to streamline assessment processes where changes to regulatory requirements are proportionate to the scale and complexity of development proposals. Resolving key issues through strategic planning should also make individual applications faster and more predictable by reducing the need to revisit area-wide infrastructure, hazard and environmental questions site by site.
- Whilst the City acknowledges that the pre-endorsed low-rise and mid-rise designs under the Housing SEPP streamline assessment pathways or allow certain development to qualify for

fast-tracked Complying Development Certificates, there has not been a substantial uptake of these development types in the Coffs Harbour LGA.

- The City supports the Commission call for stronger reporting that captures the end-to-end planning process, including public reporting of outcomes by council.
- The City supports the principle of better planning and housing data that is consistent between jurisdictions. A nationally consistent approach should track housing from strategic planning and application through approval, infrastructure delivery, commencement and completion. This would help governments identify where delays are occurring and target reform at the barriers actually preventing housing delivery. Investigation must distinguish between regulatory bottlenecks and private sector barriers.

#### Better coordinate infrastructure planning and charging with delivery

The Commission identifies infrastructure as a major constraint on housing delivery, particularly in greenfield areas. The report has an important focus on coordinating infrastructure with housing.

The proposed directions include:

- *Reform direction 4.1 - Coordinate strategic planning for infrastructure with housing objectives.*
- *Reform direction 4.2 - Improve infrastructure sequencing with housing development.*
- *Reform direction 4.3 - Ensure developer contributions reflect the accurate cost of providing infrastructure.*
- *Reform direction 4.4 - Enhance design of developer contribution frameworks towards best practice*

The interim report also identifies a potential role for the Australian Government in financing infrastructure, managing funding shortfalls and underwriting sequencing risks.

The interim report provides general reform directions at the national level, and acknowledges there may be different and more effective ways to increase commercially feasible capacity in specific locations, depending on local housing markets and housing regulatory systems. The final report promises to provide recommendations tailored to jurisdictions.

The City provides the following comment:

- The City agrees that land release is effective only when land is ready for development. It has consistently advocated that housing capacity created through zoning will translate into homes only when transport, water, sewerage, energy and social infrastructure can be delivered where and when needed.
- The City supports a coordinated and transparent approach to infrastructure funding and delivery. In this regard, consideration should be given to ensuring essential infrastructure is planned and funded through established contributions framework, rather than relying on 'works-in-kind' arrangements with developers and offset against contributions that would otherwise be collected.
- The City emphasises that the success of proposed upzoning reforms will be closely linked to the timely coordination and delivery of supporting infrastructure.

- The City supports pairing targeted upzoning, such as reforms allowing mid or high rise apartments in high demand areas, with broader upzoning across residential areas. Strategic planning is needed to support this.
- The City understand that housing-enabling infrastructure (excluding transport) cost a considerable amount more in greenfield areas compared to infill areas, contributing to affordability issues, and support the national approach that housing be provided within urban infill areas.

### General Comments

A particularly important reform is the Commission's call for infrastructure requirements and development trade-offs to be addressed early through strategic planning, rather than being left to individual development applications.

The report proposes that governments:

- identify suburbs and localities where high housing demand is expected
- make facilitating housing in those areas an explicit performance goal for councils, agencies and infrastructure providers
- undertake area-wide technical studies covering matters such as flooding, bushfire and biodiversity
- identify infrastructure requirements and constraints early
- incorporate the results into planning schemes through clear, codified development requirements.

The City provides the following comment:

- The emphasis on local governments prioritising strategic planning and technical investigations early in the process generally aligns with the City's position. Strategic planning provides an important framework for guiding growth, coordinating infrastructure and services, managing risks, and providing greater certainty about future development outcomes.
- The City strongly supports the direction that governments identify localities where high housing demand is expected. The government should reward Councils that have invested heavily in strategic planning and that have an endorsed sustainable growth model. The Coffs Harbour LGMS 2020 seeks to deliver a sustainable compact city growth model to maximise housing choice, environmental, social and economic outcomes for our community. Delivery of this infill and renewal growth model still requires significant infrastructure upgrades of which only a portion can be feasibly funded through new development.
- The Interim Paper does not provide any certainty on how the NSW Government will prioritise the delivery of housing enabling infrastructure to support the City's sustainable growth model. Infrastructure funding to facilitate growth in regional areas should be prioritised where more sustainable outcomes are achieved, as opposed to rewarding costly urban sprawl.