



30 September 2026

Commissioners Danielle Wood & Alison Roberts
Australian Government
Productivity Commission

By email: housing.supply@pc.gov.au

Dear Commissioners Wood & Roberts

SSROC submission to the Productivity Commission's Housing Supply Regulation: Interim Report

Southern Sydney Regional Organisation of Councils (SSROC) appreciates the opportunity to make a submission on the Housing Supply Regulation: Interim Report (Interim Report) dated July 2026.

SSROC is an association of twelve local councils in the area south of Sydney Harbour, covering central, inner west, eastern and southern Sydney. SSROC acknowledges the traditional custodians of the land on which we work and live, the peoples of the Darug, Dharawal and Eora Nations. SSROC provides a forum for the exchange of ideas between our member councils, and an interface between governments, other councils and key bodies on issues of common interest. Together, our member councils cover a population of about 1.9 million, one third of the population of Sydney, including Australia's most densely populated suburbs. SSROC seeks to advocate for the needs of our member councils and bring a regional perspective to the issues raised.

The Interim Report's objective of increasing well-located housing supply is uncontested, and SSROC councils are committed to supporting the efficient supply of a range of housing typologies in the right locations. However, the Interim Report's principles and reform areas overly simplify the housing crisis by treating it primarily as a failure of planning regulation. Planning shortfalls are one part of a multi-faceted problem. A comprehensive reform response must also consider housing finance, economic levers, construction and building system regulation, construction capacity, broader inflationary pressures, and the cost of delivering essential and community infrastructure. For example, a shortage of insurance providers in the NSW market for major projects limits the industry's ability to deliver approved housing.

The recommended reforms in the Interim Report must distinguish between unnecessary regulatory barriers and planning, design and infrastructure requirements that protect long-term public value, housing quality, liveability and the financial sustainability of development. Several recommendations risk shifting costs from developers to future occupants, councils and communities. If design requirements deemed 'discretionary' are omitted from the planning and

construction process, the gains are likely to flow to developer profits at the long-term expense of home occupiers and the viability of higher-density living.

This submission responds to the headings in the Interim Report and addresses information requests where a local government response is relevant. A summary of the submission's key points is provided below.

Summary of submission

- **Councils support a housing regulatory system that enables supply, but caution against reforms that remove planning and building controls necessary for amenity, health, safety, infrastructure delivery and market certainty.**
- **Planning reform should be considered alongside broader economic, finance, construction and market constraints.**
- **Reforms should not shift long-term costs or reduce housing quality, amenity or resilience.**
- **Employment lands and centre functions should be protected through strategic assessment.**
- **Planning reform should be evidence based, locally adaptable and supported by local jurisdiction engagement, adequate monitoring and evaluation before further reform tranches are introduced.**
- **Faster approval pathways should be generally limited to genuinely simple and low-impact development. Where state-led pathways are used, they should be targeted, transparent and include meaningful engagement with local government as part of the assessment process.**
- **Infrastructure coordination, including local infrastructure, should be treated as central to housing supply and supported by a fit-for-purpose funding framework. Developer contributions must reflect actual costs and be supported by a transparent, sustainable and fair framework.**

A list of the recommendations of this submission is included at Attachment A.

Response to principles for a best-practice housing regulatory system

The principles appear to give greater weight to development industry concerns than to the role of local and state planning regulation in supporting good planning outcomes.

The Commission's proposed "build mindset" is supported where regulation is proportionate, evidence based and directed to clear public outcomes. However, the phrase is open to interpretation and may create a presumption that controls should be removed wherever they are perceived to affect project feasibility. Regulation remains necessary where it secures benefits that are not otherwise delivered by the market, including safe, healthy, sustainable and liveable housing. Research from UNSW's City Futures Research Centre and the Healthy Built Environments Program demonstrates the relationship between the built environment and health outcomes with broader social and economic implications.

Principle 3 of the Interim Report is supported but it needs to also include the sustainable funding and sequencing of local and community infrastructure. In NSW the framework for funding local infrastructure augmentation or the delivery of new infrastructure is no longer fit for purpose.

Additionally, in NSW, essential infrastructure identification excludes waste management infrastructure making its funding and delivery problematic at a time where we are facing a critical landfill shortage, stalled recycling rates and a missed opportunity to be at the forefront of new waste processing technologies and waste reduction strategies.

Response to housing supply reforms

The Interim Paper recognises the shortfall in Housing Accord targets and notes broader economic and geopolitical uncertainty and then returns to identify the need for planning reform. The Interim Paper does not consider in any detail other extenuating circumstances that will always impact the delivery of housing regardless of planning reforms. Tax barriers and reform, underutilised or incorrectly applied economic levers and financing constraints, inflation impacts and labour mobility and construction industry capacity should all be considered in addition to planning regulation reforms.

NSW has been going through almost continual reform since the COVID pandemic, with no built-in mechanism for monitoring, evaluation and review before the next tranche begins. This makes it difficult to determine what interventions to date have been successful. Planning reform benefits are also rarely immediately evident, especially where they establish new approval pathways or require strategic planning implementation, which can have an implementation window of years rather than months. Accordingly, reform recommendations should factor in appropriate evaluation and review mechanisms and note there are delivery impacts that come with continual reform.

In NSW, reforms to meet Housing Accord targets have been significant and widespread and yet NSW is expected to miss its target by up to 150,000 homes. Many of the reforms align with or go further than the recommended reform areas of the Interim Report. This points to broader issues beyond the planning system that should be considered when reviewing housing supply limitations.

Response to targeted reform can improve housing supply

In practice, the future homeowner or occupier is not the party making development design decisions. Developers are generally not incentivised to provide internal amenity elements beyond minimum requirements where those features do not directly improve short-term project returns. Baseline standards for solar access, natural ventilation, privacy, acoustic performance, setbacks, passive heating and cooling and apartment size therefore play an important role in protecting long-term occupants and the quality of the housing stock.

Good design is not synonymous with luxury. It ensures dwellings function well over time, reduces avoidable heating and cooling costs, supports health and wellbeing, and contributes to sustainable building stock that is resilient to climate shocks and extreme events. Buildings designed to be climate resilient create building stock that lasts beyond 20 years and can adapt to changing needs. Resilient buildings provide significant economic benefit when considered beyond the first property exchange. Policies such as NSW's Apartment Design Guide and the Building Sustainability Index (BASIX) include requirements for designed outcomes that create value over the life of a building.

It is acknowledged that there are opportunities to review and update the detail of these policies to ensure they remain fit for purpose as we plan for growth. Governments should be looking to future-proof their housing stock to make it resilient and durable factoring in future ready engineering to be 'upward compatible' alongside use and layout adaptability. Resilient buildings future proof our cities with longer term economic and sustainability benefits.

Relax land use rules where people want to live

Councils support the Commission's focus on well-located housing, particularly near jobs, services and transport. However, land values in many high-demand Sydney locations, including the inner west, inner east and lower north shore, can be prohibitively expensive for site amalgamation and redevelopment. In these markets, broad upzoning alone may result in the delivery of luxury apartments rather than more affordable or diverse housing outcomes. Relaxing development controls to facilitate high density development alone will not deliver more housing in areas with high land values.

Reform direction 2.1 Allow up to 3-storey developments across most residential land

The proposal to enable development up to three storeys across most residential areas should be applied with care. A broad default may be appropriate in some locations, but exemptions should not be limited only to environmental, heritage or hazard constraints. Infrastructure capacity, feasibility, cumulative impacts and strategic planning work should also inform where and how uplift is applied.

Reform direction 2.2 Allow mid-rise or high-rise apartments in high-demand locations

Planning instruments should enable a greater diversity of housing, including mid-rise and high-rise apartments, in well-serviced and high-demand locations. However, reform must recognise that uplift alone will not necessarily produce affordable or feasible housing outcomes. In high-value markets, additional capacity may be absorbed into higher-end luxury development unless supported by clear strategic direction including affordable housing mechanisms.

Reform direction 2.3 Reduce or remove minimum lot sizes requirements

Minimum lot size controls can constrain low density redevelopment, but they are also often used as a proxy for managing infrastructure capacity, delivering subdivision patterns, landscape character and the interface between different built forms and development typologies. The issue is not simply whether minimum lot sizes should be reduced, but whether zoning and development standards are aligned with the intended development outcome for an area.

In NSW, there are examples where medium-density zoning is accompanied by development standards drafted for low-scale detached dwellings, including within conservation areas. In effect this can be viewed as zoning for the status quo with only renewal and not uplift possible through a standard development application. This misalignment fails to communicate development expectations and desired future character. A potential reform direction would be to require councils to align zoning to the development standards (minimum lot size, height, floor space ratio, setbacks and landscaped area) so that development feasibility and planning intent are transparent. A potential state reform would be to provide plan making guidance that sets expectations around scale of development achieved through a range of standards suited to each zone type.

Reform direction 2.4: Allow residential development in commercial zones, unless there is a clear rationale for excluding it

Allowing housing in some commercially zoned land can support mixed-use centres and housing close to jobs and services. However, commercial and employment lands must not be converted

wholesale to residential uses without a strategic assessment of employment capacity, jobs targets and centre purpose and function.

Residential development will often outbid commercial uses because it is a higher-value land use. If commercial centres are flooded with housing without adequate safeguards, they risk becoming dormitory precincts rather than functioning employment and service centres. Reform should therefore support genuinely mixed-use outcomes while retaining viable commercial floor space and employment land where needed.

Reform direction 2.5 Review, reduce and remove land-use controls that reduce commercial feasibility and do not adhere to best practice principles

Land-use and zoning reform is an important component of housing supply, but it should not be treated as a stand-alone solution. The practical delivery of new housing depends on site feasibility, land values, infrastructure capacity, construction costs, finance, market demand alongside the planning intent for an area.

- *Remove or reduce parking requirements:* reduced parking requirements is broadly supported by council and many councils have reduced or removed minimum rates however the market continues to value parking spaces so developers deliver parking spaces in their developments. Parking requirements are not set at the zoning level; they are built-form controls so should be considered under reform direction 2.6.
- *Replace broad heritage protections:* places, spaces and items of heritage undergo a rigorous listing process and warrant protection. However, conservation areas can be widely applied without the same listing process and may limit development. The final report should explicitly distinguish between heritage items and conservation areas, with any reform focused on conservation areas.
- *Neighbourhood character restrictions:* character layers applied correctly should not preclude growth. Character provisions should signal a desired future character as an objective, not operate as a restriction or prohibition to future development.

Reform direction 2.6 Relax or remove built-form controls that limit flexibility and choice for households

Controls that unnecessarily prevent housing should be reviewed however it needs to be a balanced review as it is never the explicit intent of council to impose a control entirely to obstruct appropriate development. The reform task should distinguish between controls that are genuinely and likely unintentionally exclusionary and controls that manage amenity, safety, design quality, infrastructure impacts and long-term liveability.

- *Modify controls as required to enable townhouse and apartment reform:* In NSW low- and mid-rise housing is broadly permissible within 800m of a town centre. In many SSROC council locations the permissible uplift is insufficient to make the development feasible.
- *Remove maximum floor-space ratios:* Height, floor space ratio (FSR) and setback controls should operate in combination to set a building envelope that should match the intended zoning outcome rather than preserve the status quo by default. FSR is used to determine development feasibility and inform land values, so removing FSR would complicate the land valuation system. Treating FSR as simply a planning compliance consideration misrepresents its fundamental role in determining whether a development is financially viable. FSR directly drives a project's return on investment and makes the future

developable envelope easier to determine. A planning assessment is still likely to restrict an unacceptable development outcome, so setting an FSR upfront is more transparent and can be modelled into project feasibility.

- *Remove restrictions on housing types:* Restrictions on diverse housing types often arise indirectly through development standards rather than explicit prohibitions.
- *Remove restrictions on minimum dwelling sizes, minimum balcony sizes and storage requirements for apartments:* Requirements should not be dismissed as luxury standards or impediments to housing supply. Minimum amenity standards protect health, wellbeing and long-term housing quality. If medium and high-density housing is to be a viable housing option for all demographics it is essential that the functionality of a house is appropriately incorporated. Perversely, removing the attributes that make an apartment a viable housing option for all life stages will reduce market interest in apartments.

Make approvals faster and easier

Councils welcome the streamlining of State agency referral requirements. The introduction of the Development Coordination Authority (DCA) in NSW which is based on but goes further than the Queensland [State Assessment and Referral Agency \(SARA\)](#) model, is welcomed as it provides expedited agency consideration with cross-government consistent comments. Further opportunities to embed these centralised arrangements into strategic planning and plan making should be explored to achieve and expedite consistency across agency requirements.

Expedited approvals and quick construction timeframes risk an increase in building defects. Safeguards need to continue to ensure there is not an uptick in building defects and substandard construction that limits the lifespan of buildings.

Reform direction 3.1 Consider infrastructure requirements and trade-offs associated with development early through strategic planning

Consideration of infrastructure requirements and planning for growth as part of a strategic planning process ahead of development assessment is best practice. In NSW, Housing Accord driven state-led initiatives including the Housing Delivery Authority (HDA), allow developer-nominated sites to access a State assessment without regard to the in-place planning controls or requirement to levy for local infrastructure to match generated demand. The HDA's overriding of strategic planning is intentional and used as a way to stimulate housing opportunities in new unplanned locations in response to the housing crisis. However, it has significant implications for infrastructure demand and effective consideration of cumulative impact from unplanned uplift for an area. Further, the Housing Delivery Authority has now been enshrined in legislation making this ad hoc planning pathway a permanent feature of the NSW planning system. Caution needs to be exercised when spontaneous reform initiatives have long-term implications that are dismissed or disregarded in an endeavour to meet a target or short-lived goal.

Reform direction 3.2 Expand the use of fast-track pathways to access simple developments

NSW has undertaken extensive reform over the past 15 years to move a greater proportion of development types into fast-track pathways. Further reform proposals, including targeted assessment and complying development variations, are actively being rolled out with immediate commencement dates. Incentives have not been part of the NSW Government rollout, and support for resourcing and standing up additional assessment streams has not been incorporated into the

implementation program. This reform direction should incorporate consideration of implementation and resourcing needs of all levels of government otherwise the efficiencies may be unrealised and councils placed under further financial and delivery pressure.

Reform direction 3.3 Use state-significant pathways to approve developments with a clear need for state-led assessment

Experience in NSW suggests that broad state assessment pathways can draw experienced planners away from councils, create bottlenecks at the state level, and weaken the inclusion of local requirements, including local infrastructure.

The HDA call-in model does not include targeted and meaningful engagement with the local jurisdiction, which can lead to perverse outcomes. This reform direction should require meaningful engagement with the local jurisdiction as part of any state-led assessment.

Reform direction 3.4 Improve housing approval assessments with better coordination of referrals, use of technology including AI, and transparent reporting

SSROC councils are actively considering opportunities to introduce AI into their assessment processes. Councils would appreciate greater alignment between the state and councils on AI implementation particularly relating to capturing assessment requirements and determining an application's compliance with requirements.

The NSW Government has adopted a blunt approach to assessment performance reporting through a 'statement of expectations' and published league tables that rank council performance in a rudimentary manner. This methodology can create perverse incentives, councils may delay determining complex applications because those applications can affect assessment-time statistics, or may encourage refusal of complex applications to expediate determination where applicants are resistant to design amendment. A more nuanced approach that captures application complexity would be welcomed.

Councils are open to better referral coordination, digital assessment systems and appropriate use of technology, including AI, where these tools improve consistency, transparency and efficiency. Implementation should be developed collaboratively with local government so that systems reflect the practical requirements of assessment and compliance.

Reporting frameworks should also be nuanced. Blunt league tables create perverse incentives, including delaying complex applications or encouraging refusals to protect assessment-time statistics. Performance reporting should account for application complexity, referral requirements, applicant responsiveness, design changes and litigation.

Better coordinate infrastructure planning and charging with delivery

Reform direction 4.1 Coordinate strategic planning for infrastructure with housing objectives

Councils consider infrastructure coordination central to housing supply. Housing cannot be delivered sustainably if transport, open space, drainage, sewer, schools, community facilities and local infrastructure arrive late or are not funded. The Commission's focus on infrastructure sequencing is supported, but local infrastructure must be treated as housing-enabling infrastructure, not as an optional or secondary matter.

Evidence-based infrastructure delivery requires a balanced developer contributions framework that considers housing delivery, infrastructure provision, affordability, project feasibility and the long-term financial sustainability of councils. In NSW, housing growth is not supported by a transparent, predictable and effective infrastructure funding system.

The consequences are:

- Infrastructure delivery is falling behind growth,
- Existing ratepayers are increasingly subsidising development-related infrastructure costs,
- Councils are facing growing financial pressure and increasing reliance on debt and general revenue to fund local infrastructure, and
- Community amenity and liveability are being eroded where housing growth outpaces infrastructure investment.

In NSW, a comprehensive redesign of the developer contributions framework is required. A new system needs to align housing growth with infrastructure delivery and local government financial sustainability. Reform direction 4.1 should be expanded to consider local infrastructure alongside State infrastructure, as both are critical to creating liveable and well-functioning communities.

Reform direction 4.2 Improve infrastructure sequencing with housing development

State-led initiatives are occurring out of step with local infrastructure and some State-provided essential infrastructure. The State Infrastructure Opportunities Plan has limited regard for local infrastructure provision. Ad hoc approval pathways, including call-in models, can result in projects that are not sequenced with infrastructure delivery. A more integrated approach is needed so that new housing is matched with essential, social and local infrastructure.

Wholesale review of the NSW infrastructure framework is required. Please refer to response to 4.1 & 4.3/4.4.

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

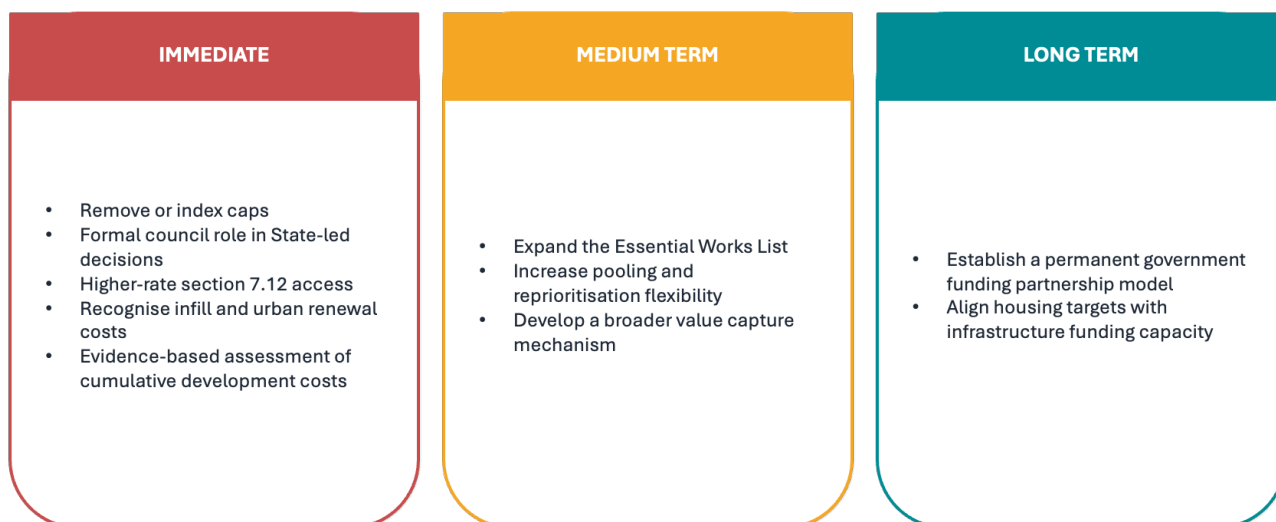
The developer contributions framework in NSW needs to be redesigned to become a more effective and reliable mechanism for funding growth-related local infrastructure. The framework should support housing delivery while ensuring that the beneficiaries of growth make a fair and proportionate contribution to the infrastructure required to service that growth.

NSW council-identified issues with the current system include:

- *Contribution caps have not kept pace:* Contribution caps remain largely unchanged since 2010 while land and construction costs have escalated.
- *Infill infrastructure augmentation costs more:* Established areas require costly augmentation, acquisition, remediation and utility relocation.
- *Responsibilities are disconnected:* State-led pathways typically reduce council influence while councils retain local delivery obligations.
- *Balances mask funding gaps:* Projects may be only partly contribution-funded, leaving a gap that blocks delivery and holds up spending of contribution funds and infrastructure

delivery. For example, local road upgrades cost \$10m, contributions fund \$7m, \$3m shortfall must come from general revenue, borrowings or grants.

A staged reform agenda relevant to NSW would include:



NSW local government Financial Sustainability Advisory Group, comprising representatives from across metropolitan Sydney, are preparing advocacy seeking a redesign of the NSW developer contributions framework to support The Sydney Plan (Greater Sydney region plan), housing delivery and financially sustainable local infrastructure. SSROC member councils are a party to the Group and SSROC can provide the Commission with a copy of the current draft paper.

Responses to specific information requests

The following responses address the Commission's specific information requests where SSROC can provide a local government perspective. They should be read together with the preceding responses on planning reform, infrastructure funding and approval pathways.

Information request 1.2: evaluation of reforms

Governments should avoid a one-size-fits-all approach. Communities, built environments and infrastructure contexts differ, and reform should allow local adaptation within clear overarching principles. Reforms imposed without meaningful consultation with the local jurisdiction, or without flexibility in application, risk missing key local issues, reducing community support and undermining good planning outcomes.

Information request 2.1: Construction methods and additional housing capacity

Reform should support modular and offsite construction methods where these can reduce delivery time, cost and improve productivity efficiency within the construction industry. Governments should also consider reforms that enable densification of existing strata buildings as an alternative to site amalgamation, demolition and rebuild. This may provide a more sustainable, financially feasible and faster way to deliver additional housing while reducing displacement of existing communities. Alternative funding models may be required to support strata-initiated development without requiring sale to a development company.

Information request 3.1: Appeals and assessment pathways

NSW reforms that reduce reliance on deemed refusal appeals are supported. The current use of deemed refusal appeals can divert resources away from timely assessment across a council's broader caseload and concentrate them on individual applications. Appeals often lead to redesigns that could have been managed more efficiently through the standard assessment process with developer proclivity.

NSW reforms that reduce reliance on deemed refusal appeals are supported. The current use of deemed refusal appeals can divert resources away from timely assessment across a council's broader caseload and concentrate them on individual applications. Appeals often lead to redesigns that could have been managed more efficiently through the standard assessment process subject to greater applicant inclination and engagement.

Information request 4.3: Infrastructure funding and delivery

Local infrastructure planning in NSW can take significant time, including where contributions plans require review by state agencies and pricing regulators. State approval pathways should engage directly with local infrastructure requirements so that infrastructure obligations are identified early and are not left unresolved after approval.

Reform should require housing targets, rezonings and approval pathways to be coordinated with funded infrastructure plans.

The Commission should consider infrastructure reform advocacy being undertaken by local government, including evidence of funding gaps, cost escalation, contribution plan limitations and the need for stronger Commonwealth and state support for local infrastructure delivery.

Please refer to discussion of infrastructure issues and recommended redesign covered in responses to reform directions 4.1, 4.3 & 4.4.

The Australian Government could play a more direct role in infrastructure delivery by providing finance, low- or no-interest loans, support for funding shortfalls, and risk underwriting where infrastructure sequencing constrains housing delivery. This role should complement, rather than replace, state and local government planning responsibilities.

SSROC supports the Productivity Commission's objective of enabling more well-located housing, but submits that reform must be carefully targeted. The most effective reforms will align land-use capacity, development standards, infrastructure funding, strategic planning and approval pathways. Removing controls without regard to feasibility, amenity, local infrastructure, employment lands or the long-term quality of housing stock risks producing poor outcomes and undermining public confidence. Reform should enable housing while retaining the planning tools needed to deliver liveable, healthy, sustainable and well-served communities.

It has not been possible to obtain SSROC Delegates' endorsement within the timeframe for this submission. If there are any changes, SSROC Secretariat will contact the Department. Should you wish to discuss any of the matters raised within this submission, please contact Aoife Wynter at SSROC on [Redacted] or [Redacted].

Yours sincerely

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Attachment A Recommendations of this submission

Scope of reforms to support housing supply

1. Broaden the reform lens beyond planning regulation

Housing supply reform should consider housing finance, economic levers, construction and building regulation, construction capacity, inflation, insurance constraints, tax barriers, labour mobility and market feasibility alongside planning reform.

2. Target reform carefully rather than removing controls broadly

Reform should enable housing while retaining the planning tools needed to deliver liveable, healthy, sustainable and well-serviced communities.

3. Encourage local adaptation of planning reforms within clear overarching reform principles

Reforms should avoid a one-size-fits-all approach and allow flexibility to respond to different communities, built environments and infrastructure contexts.

4. Treat land-use and zoning reform as one component of supply, not a stand-alone solution

Housing delivery reforms should account for site feasibility, land values, infrastructure capacity, construction costs, finance, market demand and planning intent.

5. Build monitoring, evaluation and review into reform programs

Reform recommendations should include evaluation and review mechanisms before further reform tranches are introduced.

6. Avoid shifting costs from developers to occupants, councils and communities

Reform should not remove requirements in ways that transfer long-term costs to future residents, councils or communities while increasing developer returns.

7. Future-proof housing stock

Governments should future-proof housing by supporting climate resilience, durability, adaptability and upward-compatible engineering.

Streamlining development controls

8. Distinguish unnecessary regulation from public-value requirements

Reforms should distinguish between unnecessary regulatory barriers and planning, design and infrastructure requirements that protect amenity, health, safety, housing quality, liveability and financial sustainability.

9. Protect minimum design and amenity standards

Baseline standards for solar access, ventilation, privacy, acoustic performance, setbacks, passive heating and cooling, apartment size, balcony size and storage should be retained where they protect long-term housing quality and occupant wellbeing.

10. Retain functional apartment standards

Flexible apartment sizes including number of bedrooms and minimum internal room sizes, balcony sizes and storage requirements should not be dismissed as luxury standards where they support functional, viable apartments for different life stages. Apartment standards and design requirements can be applied flexibly to suit diverse households as the market is unlikely to deliver without policy settings.

Diverse housing

11. Apply broad three-storey residential uplift with care

Any default three-storey allowance should consider infrastructure capacity, feasibility, cumulative impacts and strategic planning work, not only environmental, heritage or hazard constraints.

12. Support mid-rise and high-rise housing in suitable locations, with safeguards

Planning instruments should enable diverse housing in well-serviced, high-demand locations, but uplift should be supported by strategic direction and affordable housing mechanisms.

13. Address indirect restrictions on diverse housing types

Reform should recognise that restrictions on housing diversity may arise indirectly through development standards, not just explicit prohibitions.

Strategic planning

14. Recognise the value of built controls that manage legitimate planning outcomes

Reform recommendations should distinguish genuinely exclusionary controls from controls managing amenity, safety, design quality, infrastructure impacts and liveability.

15. Recognise floor-space ratios as a transparent feasibility and valuation tool

FSR should not simply be removed, because it supports feasibility modelling, land valuation and transparent representation of development envelopes.

16. Distinguish heritage items from conservation areas

Reform recommendations should explicitly distinguish between heritage items and conservation areas, with any reform focus directed to conservation areas rather than listed heritage items.

17. Provide state plan-making guidance on setting key built-form development standards

A potential state reform is to provide guidance on the scale of development expected through standards suited to each zone type.

18. Align zoning with development standards

There is an opportunity to align zoning with development standards such as minimum lot size, height, floor-space ratio, setbacks and landscaped area so feasibility and planning intent are transparent.

19. Further streamline state agency referrals

Opportunities to embed centralised referral arrangements into strategic planning and plan-making should be explored.

Employment and access to retail and services

20. Support mixed-use outcomes while retaining viable commercial floor space

Reform should enable housing in centres while safeguarding commercial floorspace and employment land where needed now and in the future as residential land rarely pivots to another land use type.

21. Protect employment lands and commercial centre functions

Residential development in commercial zones should not occur wholesale without strategic assessment of employment capacity, jobs targets and centre purpose.

State led assessments

22. Limit state-led assessment pathways to developments with a clear need for state assessment

State-significant pathways should be targeted and justified by a clear need for state-led assessment.

23. Exercise caution with ad hoc state-led pathways such as HDA-style call-ins

Fast track, state-led pathways that override strategic planning should account for long-term infrastructure demand, cumulative impacts and local planning consequences. Ideally these crisis response application types should not become permanent approval pathway.

24. Require meaningful local government engagement in state-led assessments

State-led pathways, including call-in models, should require targeted and meaningful engagement with the local jurisdiction.

Fast-track assessments

25. Resource fast-track approval pathways properly

Fast-track reforms (i.e. NSW complying development variation certificates and targeted assessment) must include effective implementation and resourcing needs across all levels of government especially where they are introduced in addition to existing pathways.

26. Align state and council use of AI in assessment

Greater alignment is needed between the State and councils on AI implementation, particularly around compliance checking and assessment requirements.

27. Use nuanced performance reporting for assessment systems

Reporting should account for application complexity, referral requirements, applicant responsiveness, design changes and litigation rather than relying on blunt league tables.

Infrastructure and development contributions

28. Include local and community infrastructure in best-practice principles

Principle 3 should include the sustainable funding and sequencing of local and community infrastructure.

29. Treat local infrastructure as housing-enabling infrastructure

Local infrastructure should be central to housing supply and not treated as optional or secondary.

30. Coordinate housing targets, rezonings and approval pathways with funded infrastructure plans

Housing delivery mechanisms should be tied to funded infrastructure planning including local infrastructure.

31. Recognise waste infrastructure as essential infrastructure

NSW essential infrastructure identification should include waste management infrastructure to support funding and delivery.

32. Require state approval pathways to engage with local infrastructure obligations early

State approval pathways should identify local infrastructure obligations early, rather than leaving them unresolved after approval.

33. Redesign the NSW developer contributions framework

NSW needs a comprehensive redesign of developer contributions to align housing growth, infrastructure delivery and local government financial sustainability.

34. Ensure developer contributions reflect actual infrastructure costs

Contributions should fairly and proportionately fund the infrastructure required to service growth.

35. Expand reform direction 4.1 to include local infrastructure

Reform direction 4.1 should consider local infrastructure alongside state infrastructure.

36. Address contribution caps and funding gaps

Reform should address outdated contribution caps, infill infrastructure costs, disconnected responsibilities and partial funding gaps that delay infrastructure delivery.

37. Consider a stronger Australian Government role in infrastructure delivery

The Australian Government could provide finance, low- or no-interest loans, support for funding shortfalls and risk underwriting where infrastructure sequencing constrains housing delivery.

Construction & alternative ways to delivery densification

38. Support modular and offsite construction methods

Reform should support modular and offsite construction where they reduce delivery time, cost and improve construction efficiencies.

39. Maintain safeguards against building defects

Faster approvals and construction timeframes should be matched with safeguards to avoid defects and substandard construction becoming an issue and cost for future homeowners.

40. Enable densification of existing strata buildings

Governments should consider reforms that enable densification of existing strata buildings as an alternative to amalgamation, demolition and rebuild.

41. Consider alternative funding models for strata-initiated development

Funding models may be needed to support strata-initiated development without requiring sale to a development company.