



14 October 2026

Ms Danielle Wood
Chair
Productivity Commission
GPO Box 1428
CANBERRA CITY ACT 2601

Dear Ms Wood

Housing Supply Regulation Interim Report – Submission from Canterbury Bankstown Council

This submission is prepared by Council officers at the Canterbury Bankstown Council on the Housing Supply Regulation Interim Report.

Council officers are supportive of government policy reforms that will lead to increased number of dwellings and variety of dwelling types where the community wants to live. However, these reforms must respond to the local needs and desired character through place-making principles rather the proposed one-size-fits-all approach.

Council has proven in recent years that place-based planning can be delivered thoughtfully and timely through Council's Alternative Scheme to the NSW Transport Oriented Development Program (TOD Program).

Council officers are concerned with the narrow scope of the Interim Report that excludes the economic levers that affect the delivery of housing such as taxation and cost of building materials. Housing supply planning regulation reforms in isolation will not result in the completion of new homes.

Council provides the following concerns under the relevant Reform Directions:

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

Council is concerned with the imposition of the proposed 3 storey limit in all residential land because the blanket approach may lead to higher density living in the suburban areas that are not well serviced by public transport and services.

Council's planning framework aims to provide minimum 80% of new dwellings within walking distance of centres and areas of high amenity. Our Council has embarked on a master planning program that investigated housing and employment opportunities for all the existing town centres. The master planning program was further accelerated when the NSW Government introduced the Transport Oriented Development and the Low to Mid Rise Housing Programs.

The master planning program was important to identify high growth areas in the town centres and allow the continuation of the housing growth in the low density housing areas through 2 storey developments such as dual occupancies.

Suburban residential areas are generally characterised as low density residential area with 2 storey limits to houses, dual occupancies and terrace developments. Introducing an additional storey to these types of development will change the fabric of the low density character of the area by introducing additional bulk and scale.

In addition, should the 3 storey limit direction be coupled with allowing high density development types such as apartments in the low density residential areas, the suburban context will be impacted even further and would change the fabric of the suburbs.

A maximum building height development control and Floor Space Ratio provides Council and developers certainty in the development extent of a land. A well planned city will have various building height limits based on the need to provide housing capacity but also the desired character of a local area. Placing a blanket building height limit will result in boxy built form where developers will aim to maximise the development potential of the land.

If a maximum building height needs to be prescribed by the reforms, Council would suggest considering the establishment of a centres framework that identifies the appropriate heights and building typologies in different centres, depending on their role, accessibility, function and population (residents, workers, students).

- **Reform Direction 2.2 – Allow mid-rise or high-rise apartments in high demand areas**

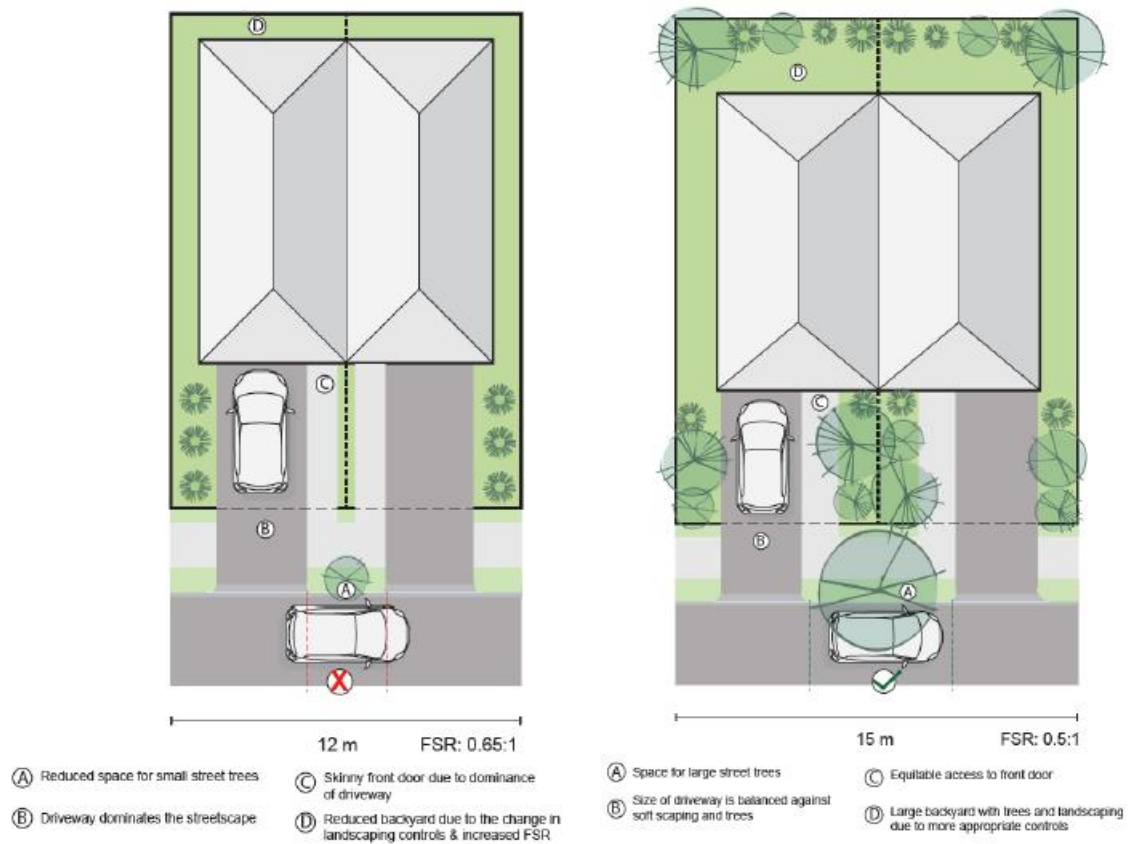
Council is concerned with the proposed direction on how housing demand is quantified and applied to the local centres.

The NSW Government's Transport Oriented Development Program (TOD) and the Low to Mid-rise Housing Policy have identified standard building heights and building typologies within 400m-800m walking distance from train stations or designated town centres. As part of the implementation process, the Department of Planning, Housing and Infrastructure (DPHI) accepted Council's alternative approach to the TOD Program by applying place-making principles and studies to locate housing growth in town centres that responded to the local conditions. The master planning approach were able to achieve higher number of dwellings compared to the State Government's blanket approach.

- **Reform Direction 2.3 – Reduce or remove minimum lot size requirements**

The proposed direction seeks to reduce or remove minimum lot size requirements for residential developments in high demand areas. Council is concerned that a general reduction in minimum lot sizes may result in residential developments with poor design outcomes and poor quality of built environment.

An example is the dual occupancy development, which has been popular form of residential development in our City, where Council requires lots with a minimum width of 15 metres and a minimum area of 500 square metres. After construction, each lot is subdivided into two lots with a minimum width of 7.5 metres and a minimum area of 250 square metres. The loss or reduction of these minimum lot size requirements will result in reduced private open space, setbacks to neighbours and landscaped areas. The figure below shows a comparison of a dual occupancies in 12 metre width lot (FSR 0.65:1) compared to a 15 metre width lot (FSR 0.5:1):



The primary objective of the lot size and width controls is to maximise building width in order to:

- Allow for various internal building layouts with favourable urban and architectural design outcomes.
- Maximise entry doors and windows overlooking the street.
- Minimise the impact of garages on the streetscape.
- Achieve design excellence by providing street address with a front entry door, habitable room and soft landscaping.

Another example is an apartment where certain land size and width are required to provide better building design to promote higher quality of life. In our City, a site requires min. 30m frontage width and an area of min. 1,500sqm for an apartment development. This minimum allotment size allows apartment buildings to provide sufficient setbacks from neighbouring properties, sufficient communal open spaces, deep soil planting areas, frontage presence to promote pedestrian access,

vehicular crossing, vehicular manoeuvring areas to access the basement levels, and waste management storage areas.

- **Reform Direction 2.4 – Allow residential development in commercial zones, unless there is a clear rationale for excluding it**

The proposed reform direction seeks to allow residential development in commercial business districts. Council is concerned that local centres will become predominantly residential and there will be less variety of employment opportunities.

Council seeks the reforms to consider place-making principles to support employment zones. A well planned city requires places of employment near where people live and variety of employment uses. Currently, local centres are predominantly concentrated by retail premises. However, local centres should set aside the need for other commercial uses such as office premises to diversify employment uses. The demand for residential and employment lands fluctuate with different economic cycles and it is important to set aside employment land to cater for various employment uses until there is an upturn of demand.

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

The proposed direction seeks to reduce heritage listing, neighbourhood character restrictions and parking requirements. Council is concerned that the loss of heritage items or heritage conservation areas will result in the loss of place and people's connection to the local area.

A place-making approach is needed to develop land use plans that considers the existing heritage significance to preserve the history of the local area and preserve the local character of an area. The community should celebrate the local history through the preserving local heritage and allow new developments to be built sympathetically around heritage significant sites.

- **Direction 3.1 – Consider infrastructure requirements and trade-offs associated with development early through strategic planning**

The proposed direction seeks efficiency in development approvals through strategic planning. Council is concerned that the top down approach will require intense resourcing and funding.

An example is flood risk management plans in NSW that determines the flood risks in a catchment. The process begins with expensive flood modelling and public consultation for each of the catchments for riverine and stormwater flooding. Further, riverine catchments are larger and therefore, requires joint studies and coordination with adjoining councils.

Although the proposed direction is logical, the implementation of this direction to alleviate the housing crisis will require intense resourcing, funding and long timeframes to complete.

- **Direction 3.2 – Expand the use of fast-track pathways to assess simple developments**

Council is concerned that fast-track pathways such as expanding complying developments for more complex developments such as apartment developments will lead to inconsistent approvals and mismanagement by the private certifiers. Fast-track pathways must be supported by well developed governance processes that allows reviews of private certifiers performance and proportionate accountability.

In NSW, complying developments are designed to allow faster approvals for small developments such as houses, dual occupancies and terraces by the private certifier. Recently, the State Government has introduced the Pattern Book Code that allows pre-approved designs for dual occupancies, terraces and small apartments within designated housing areas as complying developments.

The addition of complex development types under the complying development framework will require more oversight of the performance of private certifiers and there needs to be easier pathways to allow the Council and the community to raise concerns about complying developments to the Building Commission NSW.

- **Direction 3.3 – Use state-significant pathways to approve developments with a clear need for state-led assessment**

Council is concerned that a State-significant approval pathway may lead to inconsistent development outcomes and needs transparent assessment framework.

In NSW, this proposed direction has been implemented through the Housing Delivery Authority (HDA) and its' Expression Of Interest process. The developer-led approach encourages developments that meet the needs of the developer and not the community. The ad hoc approach to planning leads to poor development outcomes that will make local centres unattractive for new investments.

For example, a mixed used development in Campsie Town Centre has been approved to proceed by the HDA that substantially exceeds Council's endorsed Campsie Town Centre Master Plan, which outlines clear directions for the site, as shown below:

Controls	Council's masterplan	HDA outcome	Change
Storeys / Height	20	33	65%
Floor space ratio	5:1	10.91:1	118%

The HDA has approved the mixed use development that substantially exceeds Council's strategic directions and confirms that the developer-led approach needs a transparent assessment framework.

- **Direction 4.3 – Ensure developer contributions reflect the accurate cost of providing infrastructure**

In NSW, the current local contributions framework does not allow Council to collect sufficient contributions to provide infrastructure.

Council is allowed to collect local contributions based on a rate per dwelling under Section 7.11 or a fixed rate under Section 7.12 of the Environmental Planning and Assessment Act 1979. The State Government has introduced restrictions on the development contributions types to discourage Council to increase the contribution amounts.

Since 2009, the NSW Government introduced a threshold of \$20,000 per dwelling for Section 7.11 Contributions and the threshold has not changed since its inception. Should Council seek contributions exceeding the threshold, Council will need to seek approval by the Independent Pricing and Regulatory Tribunal (IPART), which are based on a narrow essential works list for open space, community services and facilities, transport facilities, stormwater management systems and plan administration.

Further, the NSW Government introduced a fixed local contributions rate under Section 7.12 of the Act in 2005 that allows Council to levy non-residential developments the following amounts for local contributions - 0.5% of the development cost over \$100,000 and up to \$200,000, and 1% of the development cost over \$200,000. Any proposals to exceed the fixed rates requires State Government approval through an assessment process that has a narrow focus.

- **Direction 4.4 – Enhance design of development contribution frameworks towards best practice**

Council supports a review of the development contributions framework in NSW because the current framework is unsustainable, does not reflect the accurate cost of providing infrastructure and it does not allow Council to maintain the existing local infrastructure.

In NSW, the local development contributions framework only allows developers to fund for new infrastructure. However, Council is left with the burden of maintaining the local infrastructure in the years to come. This disproportionate cost on Council should be shared with the developer's seeking to increase the demand of infrastructure in the first place.

Additionally, the local contributions framework does not apply to State Government and its agencies. Under the Environmental Planning and Assessment Act 1979 (the Act), State Infrastructure such as hospitals and schools are not required to contribute towards local infrastructure such as open space and supporting facilities.

Further, the State Government has introduced the regional Housing and Productivity Contribution (HPC) in 2023 for residential subdivision, medium or high-density residential development, commercial development and industrial development. The HPC is levied in addition to Council's Section 7.11 or 7.12 contributions framework and collected by the State Government into various regions. However, there is limited transparency on how much the fund is collected, how the fund is distributed, where it is spent and whether sufficient infrastructure delivered to keep pace with growth.

If you wish to discuss any of the matters within this submission, please contact me on [Redacted] or Council officer, Kyou Won Rhee, on [Redacted] or [\[Redacted\]](#)

Yours sincerely

Camille Lattouf
Manager City Strategy and Design