



REGIONAL HOUSING TASKFORCE

Recommendations Report

October 2021



Published by NSW Department of Planning, Industry and Environment

dpie.nsw.gov.au

Title: Regional Housing Taskforce Recommendations Report

First published: October 2021

Department reference number: DOC21/941269

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Abbreviations and abbreviations

ACHIF	Aboriginal Community Housing Investment Fund
AHO	Aboriginal Housing Office
ARHSEPP	State Environmental Planning Policy (Affordable Rental Housing) 2009
CHIF	Community Housing Innovation Fund
CHP	Community Housing Provider
Design and Place SEPP	Design and Place State Environmental Planning Policy
DPIE	NSW Department of Planning, Industry and Environment
HAF	Housing Acceleration Fund
Housing SEPP	Housing State Environmental Planning Policy
LAHC	Land and Housing Corporation
LALC	Local Aboriginal Land Council
LGA	Local Government Area
LHS	Local Housing Strategies
PDU	Planning Delivery Unit
PIC	Place-based Infrastructure Compacts
Seniors SEPP	State Environmental Planning Policy (Housing for Seniors or People with a Disability) 2004
SEPP 70	State Environmental Planning Policy No 70—Affordable Housing (Revised Schemes)
SEPP	State Environmental Planning Policy
UDP	Urban Development Program

Acknowledgment of Country

The Department of Planning, Industry and Environment acknowledges the Traditional Owners and Custodians of the land on which we live and work and pays respect to Elders past, present and future.

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Chair's Foreword

Safe, secure and affordable housing is critical to the wellbeing of individuals and local communities, and to the broader prosperity of New South Wales. Throughout our investigation, the Taskforce heard of the many challenges that regional NSW faces due to the exacerbation over the past year of regional housing issues and the broader trend of declining affordability.

People having to leave their local communities and support networks to find more affordable or appropriate housing, communities struggling to attract and retain workers or to rebuild after bushfires, housing stress straining relationships and mental health, homelessness, and declining social mobility and quality of life as the barriers to traditional housing pathways rise – these experiences are understood to be increasingly common across regional NSW.

The Regional Housing Taskforce was directed to investigate planning barriers to the provision of housing in regional NSW at a time when the nature and drivers of the present housing situation were, more so than ever, being publicly and hotly contested. It is important to acknowledge at the outset of this report that while the focus of the Taskforce is on the role of the planning system, and the planning system undoubtedly plays an important role in shaping housing outcomes, affordability and supply issues in regional NSW are not simply driven by planning regulation. Because housing outcomes are influenced by a broad range of economic and policy drivers, they cannot be meaningfully improved without a sustained whole-of-government response that addresses both market and non-market provision of housing.

It is also important to reflect on the positive role of the planning system in establishing the rules which govern the delivery of public and private value through the development process. While developers undoubtedly create considerable public and private value when they build homes, it is the role of the planning system to ensure that the right balance is achieved between public and private interests, and between environmental, social, and economic costs and benefits, with a key consideration being that housing is delivered to meet the needs of the whole community.

Achieving this balance requires the upfront identification of need, strategic planning, and careful calibration of policy mechanisms. Much has been done in the recent past to bring together the components of a planning system that has the right system of incentives and disincentives to enable affordable and diverse housing, and to streamline and expedite planning approval processes, yet despite reforms there remain challenges to delivery – and particularly so in the regions.

As identified in the Taskforce's earlier Findings Report, the challenges in delivering an adequate supply of diverse and affordable housing that meets the needs of regional communities are many and varied. It is apparent that the task for Government and the planning system is not simply to increase the supply of housing generally and to ensure that housing is supported by appropriate infrastructure, but to provide a diverse range of housing that supports the full spectrum of housing needs in regional communities now and into the future.

Through the principles and recommendations in this report, the Taskforce has sought to establish a pathway to better housing outcomes for regional communities that acknowledges the complexity of interrelated challenges and their drivers and the roles and responsibilities of those that play a part in delivery.

The Taskforce has made five broad recommendations, including 15 targeted interventions, which reflect the need for a greater emphasis on and support for upfront strategic planning, greater coordination of infrastructure delivery across government, improved management of the complexities and trade-offs of environmental and other constraints on development, and clear pathways and programs for the provision of much needed housing types, particularly social and affordable housing, and homes for smaller households.

The rationale for these recommendations is contained in the eight principles outlined in this report, which serve the dual purpose of underpinning the recommendations and setting a foundation for future decision making beyond the implementation of those recommendations.

Thank you to the many people who spoke or made submissions to the Taskforce – your generous contributions have been incredibly valuable and made this work possible.

It is now for the NSW Government to act decisively on these recommendations and to work with all levels of government, the private and not-for-profit housing sector, and regional communities, whose willingness to work collaboratively to address these important issues was so evident throughout our engagement.

Garry Fielding
Regional Housing Taskforce Chair
October 2021

Executive Summary

Regional NSW faces significant housing supply and affordability pressures across various indicators. While the trend of declining housing affordability is not new or unique to regional NSW, over the past year housing pressures have grown more acute across the regions, with rents growing at a faster rate than in Greater Sydney, low rental vacancy rates, and relatively high house price growth. This has had profound impacts on the availability of housing for very low- and low-income households and renters in particular, as well as for moderate-income households and those seeking to buy a home, challenging the conventional assumption that housing in the regions is ample and affordable.

The events of the past two years, including the COVID-19 pandemic, 2019-20 bushfires, and flooding in 2020 and 2021, have highlighted the importance of an adequate supply of affordable, appropriate, well-designed, and well-located homes for regional communities' physical, social, and economic wellbeing. They have also highlighted the unique housing challenges faced by regional communities, such as the challenges of:

- planning for growth and change in response to changing local populations, economies, patterns of work, and increasing risk from climate change and natural hazards;
- protecting the unique natural and built form character and lifestyle of the regions while adapting traditional patterns of settlement and development to meet present and future needs;
- providing and maintaining infrastructure across vast areas; and,
- addressing the critical lack of housing diversity in the regions, including social and affordable housing and homes for smaller and ageing households.

The Taskforce

The Regional Housing Taskforce was established in June 2021 by the Hon. Rob Stokes MP, Minister for Planning and Public Spaces, in response to these pressures and challenges. The Taskforce was instructed to identify technical barriers in the planning system that are preventing the delivery of housing supply, including affordable housing, and to formulate recommendations to improve housing outcomes in regional NSW via the planning system and other government levers.

Approach of the Taskforce

The Taskforce has consulted widely to understand regional housing and planning systems issues to inform the final recommendations made in this report. The Taskforce has:

- gained input through extensive public consultation in July and August 2021 with local government, the development, construction and community housing sectors, and the broader community through 11 virtual roundtables with over 400 participants;
- reviewed data and evidence on regional housing trends;
- reviewed 168 public submissions;
- consulted with NSW Government agencies; and,
- prepared a Findings Report released in October 2021 identifying key issues in regional housing provision.

Key Findings

Housing issues in regional NSW need to be understood in the context of broader housing trends and policy settings, such as financial and taxation settings, as well as in the context of the unique challenges in regional housing markets. The Taskforce did not find that the NSW planning system is inherently restrictive as it is applied in regional NSW, and there is understood to be sufficient

residential zoned land across most regions to accommodate forecast demand over a number of years. However, much of this existing land capacity in the form of greenfield housing or in the form of ‘infill’ or urban renewal sites is unable to be made ‘development ready’ or ‘activated’ for a number of reasons.

For greenfield sites, barriers to delivery predominantly relate to the difficulty of resolving site-specific constraints at and after the development assessment stage, such as environmental and biodiversity issues, the cost and complexity of required technical studies, the funding and delivery of critical enabling infrastructure, such as water, sewerage and roads, as well as development feasibility and market factors, which in some cases lead to land banking or slow release of new dwellings to the market.

For infill sites and smaller and diverse housing types, development feasibility and market factors were identified as major barriers to new supply, along with the suitability of fine-grain planning controls, and a lack of funding for social and affordable housing. New housing supply in regional areas continues to be dominated by large, detached dwellings despite growing unmet housing needs for smaller, accessible and affordable housing, and despite the need for more sustainable and compact growth strategies that make the most of existing infrastructure and services.

The Taskforce found that certain planning processes should be consolidated and streamlined to enable more efficient assessment, especially for much needed forms of housing, such as social, affordable, and temporary worker housing. Rather than systemic reform to overhaul planning approval processes, the Taskforce considers it more appropriate that effort and resources be deployed to address place-based barriers and to resolve complex issues within existing planning frameworks.

There is also a need for improved upfront strategic planning, including investment in technical studies, to resolve issues earlier in the planning process and ensure that subsequent planning assessments can be streamlined and that zoned land is both practical and feasible to develop. In conjunction with this, approaches to infrastructure planning, delivery and coordination need to be improved to unblock regional housing supply, including through better alignment of the work of planning, other State agencies and local government.

Given the complexities of delivering diverse housing in the regions, including social, affordable, and other forms of rental housing, there is a role for Government in taking a more active part in housing delivery in regional NSW, including through the expanded use of government lands and partnerships with the housing sector.

Principles

The principles and recommendations in this report set a roadmap for the NSW Government for how to best respond to housing challenges through the planning system. The Taskforce has identified eight principles to serve as a foundation for decision making and guide reform of policies and processes to increasing housing supply and improve housing outcomes across regional NSW.

Principles

- 1. Invest in upfront, place-based strategic planning to improve decision-making, provide certainty and enable more efficient assessments.**
- 2. Provide a more transparent and certain supply pipeline and activate latent supply by addressing infrastructure requirements and resolving site constraints.**
- 3. Strengthen collaboration by the NSW Government with the Federal Government, local governments, and industry to improve the identification, funding, and delivery of infrastructure to support priority housing.**

Principles

4. **Ensure new housing is appropriately located, well-designed, fit for purpose, and better provides for the diversity of housing needs, including strengthening planning and approval pathways for innovative typologies and tenures.**
5. **Consider social and affordable housing as essential social and economic infrastructure.**
6. **Facilitate the delivery of diverse housing that meets demonstrated need through targeted use of government land.**
7. **Build the capacity of local government and local industries to plan and deliver housing in the regions.**
8. **Enhance monitoring and evaluation of policy and housing outcomes.**

Recommendations

The Taskforce has made five key recommendations for Government, with 15 supporting targeted interventions. The recommended implementation and delivery timeframes, including priority actions for these are detailed in the Recommendations section of this report.

Effectively implementing reforms in the planning system is a long-term prospect, with housing outcomes relatively slow to respond to changes due to the lengthy development process from the planning stage to occupation. While reforms focused on systemic and sustained improvements in the planning process are warranted and appropriate, rapid changes in housing demand and the scale of immediate housing needs across regional NSW demand more immediate action. For this reason, the Taskforce has identified six targeted interventions for immediate action, indicated below in **bold**.

1. Support measures that bring forward a supply of “development ready” land

- 1.1. **Expanding the Urban Development Program (UDP) areas to improve the coordination and delivery of new housing. The UDP should focus on setting serviced land targets, identifying infrastructure requirements, aligning infrastructure plans, and auditing residential zoned land to identify other barriers to development (including environmental constraints and biodiversity offset costs) to establish a clearer housing supply pipeline.**
- 1.2. Supporting the delivery of critical enabling infrastructure through introducing reforms to infrastructure contributions and implementing complementary initiatives to sequence and prioritise infrastructure contributions plans, targeted grant programs and low-cost loan schemes.

2. Increase the availability of affordable and diverse housing across regional NSW

- 2.1 **Facilitating the strategic use of government-owned land to provide improved housing outcomes through the delivery affordable, diverse housing, and key worker housing, including through identifying priority sites for housing, the removal of policy obstacles that prevent utilisation of existing government land and property assets for housing, and the maturation of the Government Property Index.**
- 2.2 **Establishing an ongoing program to deliver new and renewed social and affordable rental housing in the regions through partnership between government housing providers such as the Land and Housing Corporation and Landcom, local government, and the community housing sector.**
- 2.3 Reviewing incentives and planning controls for affordable and social housing to ensure that these settings are effective in encouraging social and affordable housing supply in regional contexts.

- 2.4 Reducing barriers to Public Private Partnerships that deliver social, affordable and key worker housing, including reviewing legal and administrative barriers, providing guidance and support to local government, and reducing the financial performance requirements for government-owned corporations to enable them to deliver housing for broader community benefits.
- 2.5 Prioritising diverse and affordable housing through regional and local strategic plans, minimum density and housing mix requirements for new development, place-based infill housing targets, reviewing planning instruments to ensure they enable infill housing, and introducing model controls that support councils to facilitate good infill design outcomes.
- 2.6 Considering alternative approval avenues for social and affordable housing projects to reduce barriers within assessment processes and depoliticise decision making, including self-assessment powers for low-impact developments for groups such as the Aboriginal Housing Office.

3. Provide more certainty about where, when and what types of homes will be built including by:

- 3.1 Supporting the preparation of local and subregional housing strategies with clear implementation plans that are backed by up-to-date technical studies. Implementation plans should clearly address how constraints can be managed, the planned sequence of land release, the use of government and Local Aboriginal Land Council (LALC)-owned land to provide housing, and assessment timeframe targets. Consideration should be given to how government-owned land can be used to help meet the biodiversity offset requirements of new development.
- 3.2 **Deploying the Planning Delivery Unit in regional NSW to support regional councils and industry to resolve planning barriers affecting new housing supply on zoned and serviced residential land, including biodiversity requirements, and support council development assessment capacity.**
- 3.3 Investigating mechanisms to incentivise the development of residential zoned land to address land banking and assist the timely release of new housing supply.

4. Investigate planning levers to facilitate the delivery of housing that meets short term needs by:

- 4.1 **Introducing standard planning pathways for temporary worker accommodation and investigating planning pathways for innovative housing options for a variety of needs, such as temporary supportive accommodation for those in crisis and housing for seasonal workers.**
- 4.2 Implementing early and regular assessment of and mechanisms to address additional housing demand associated with State Significant Development in regional NSW across construction and operational stages.

5. Improve monitoring of housing and policy outcomes and demand indicators to better by:

- 5.1 **Establishing long-term benchmarks that ensure housing in regional NSW meets the needs of regional communities and improving monitoring and forward planning for housing by accelerating the next phases of the Housing Evidence Centre to provide an open-access and accurate evidence base for housing-related data with indicators of performance against benchmarks.**
- 5.2 Reviewing the short- and longer-term impacts on regional housing outcomes of recent and planned reforms, such as the Housing SEPP, Design and Place SEPP, infrastructure contributions reform and the regulation of Short Term Rental Accommodation.

Further Considerations

The Taskforce recognises that a broad range of policy settings across government impact housing outcomes, not just the planning system, and have provided a series of additional considerations for the NSW Government to address in its response to the recommendations. The Taskforce recommends that the NSW Government:

- Work with the Federal Government to push for significant Commonwealth level reforms to boost the provision of social and affordable housing and address affordable home ownership;
- Review State level funding social and affordable housing to support the renewal and expansion of social and affordable housing stock in the regions and the capacity and sustainability of the regional community housing sector;
- Consider the Taskforce's findings in future iterations of Housing 2041, and supporting action plans to ensure these plans contains targeted actions addressing regional housing issues;
- Implement programs to build the skills and capacity of the regional development and construction industries to deliver a more diverse range of housing products and support the expansion of complying development pathways in the regions; and,
- Deliver programs and initiatives to ensure regional councils are appropriately resourced and supported to plan for and assess new housing in a timely and efficient manner.

Introduction

The Regional Housing Taskforce was established in June 2021 by the Hon. Rob Stokes MP, Minister for Planning and Public Spaces, to identify barriers in the planning system that are preventing the delivery of housing supply and to formulate recommendations to improve housing outcomes in regional NSW.

Garry Fielding, Life Fellow and former NSW President of the Planning Institute of Australia and the current State appointed Chair of the Western Regional Planning Panel, was appointed as the Taskforce's independent chair. The other appointed Taskforce members are:

- Monica Gibson, Executive Director Local and Regional Planning, Department of Planning, Industry and Environment (DPIE)
- Ben Hewett, Executive Director, Innovation, Strategy, and Integration, DPIE
- Ash Albury, Executive Director Regional Housing Supply, Department of Regional NSW

Terms of Reference

The Terms of Reference directed the Taskforce to:

- Undertake consultation with local government and experts from the development and housing sectors to identify barriers in the planning system to new supply and develop potential solutions
- Advise the Minister for Planning and Public Spaces on the findings of the consultation and research and recommendations to achieve better housing outcomes for regional NSW through the planning system
- Contribute to the evidence base identifying housing challenges and planning barriers to housing delivery, building on existing background work to inform future government housing initiatives and provide advice to the Housing Expert Advisory Panel (when established).

The full Terms of Reference are contained in Appendix A.

Scope of the Report and Recommendations

The scope of the Taskforce's investigation is housing issues in regional NSW (including all 95 regional councils) and does not include Greater Sydney.¹

The following areas are within the Taskforce's scope and form the focus of the recommendations in this report:

- The planning system and other government levers to stimulate housing supply and address housing needs;
- Impediments within the planning system to the delivery of affordable housing types and housing generally; and,
- Mechanisms within the planning system to facilitate and drive the delivery of housing matched to community needs.

Background

Regional NSW faces significant housing supply and affordability pressures across various indicators. Many of these pressures are not new; declining housing affordability has been a trend in

¹ Regional NSW is defined as the 9 regions declared in the [Environmental Planning and Assessment \(Regions\) Order 2020](#), being Central Coast, Central West and Orana, Far West, Hunter, Illawarra-Shoalhaven, New England North West, North Coast, Riverina Murray, and South East and Tablelands.

NSW and across Australia since the mid-1990s, particularly in major metropolitan areas and large regional centres.

Over the past year, however, housing pressures have become more acute across regional NSW with rents growing at a faster rate than in Greater Sydney, low rental vacancy rates, and relatively high house price growth, with particular impact on the availability of housing for very low- and low-income households but also for moderate-income households. The COVID-19 pandemic, 2019-20 bushfires, and flooding in 2020 and 2021, among other events, have highlighted the housing challenges faced by regional communities and the importance of having an adequate supply of affordable, appropriate, well-designed, and well-located homes for regional communities' physical, social, and economic wellbeing.

The Regional Housing Taskforce was established in response to declining affordability and availability of housing in the regions to investigate how the planning system and other NSW State Government levers could be used to achieve better housing outcomes for regional NSW.

Related Work

The Taskforce's investigation follows sustained work by the NSW Government to address housing issues. Various planning policies and mechanisms have been introduced over the years to facilitate housing supply in general, improve the design and sustainability of new dwellings, and encourage development of affordable and diverse housing types.

This includes NSW's housing strategy, *Housing 2041*, which was released in May 2021 and sets out a long-term vision and objectives for better housing outcomes across NSW.

The Taskforce's investigation was undertaken in parallel with reviews of other policies that will have implications for housing supply in the regional NSW. These include:

- the Commonwealth Standing Committee on Tax and Revenue Inquiry into the contribution of tax and regulation on housing affordability and supply in Australia;
- consultation on the draft Housing State Environmental Planning Policy (Housing SEPP);
- the commencement of the NSW state-wide regulation of Short Term Rental Accommodation in November 2021;
- the drafting of the new Design and Place State Environmental Planning Policy (Design and Place SEPP);
- the implementation of the recommendations of the NSW Productivity Commission's Review of Infrastructure Contributions in NSW; and,
- the implementation of the Planning Reform Action Plan including process improvements and other measures to reduce assessment times and facilitate faster planning decisions.

Within this policy context, the role of the Taskforce has been to consider whether current planning policies and processes meet the needs of regional communities specifically, and how policies, strategies, and mechanisms could be better targeted or expanded in response to the immediate pressures and longstanding housing issues facing regional communities.

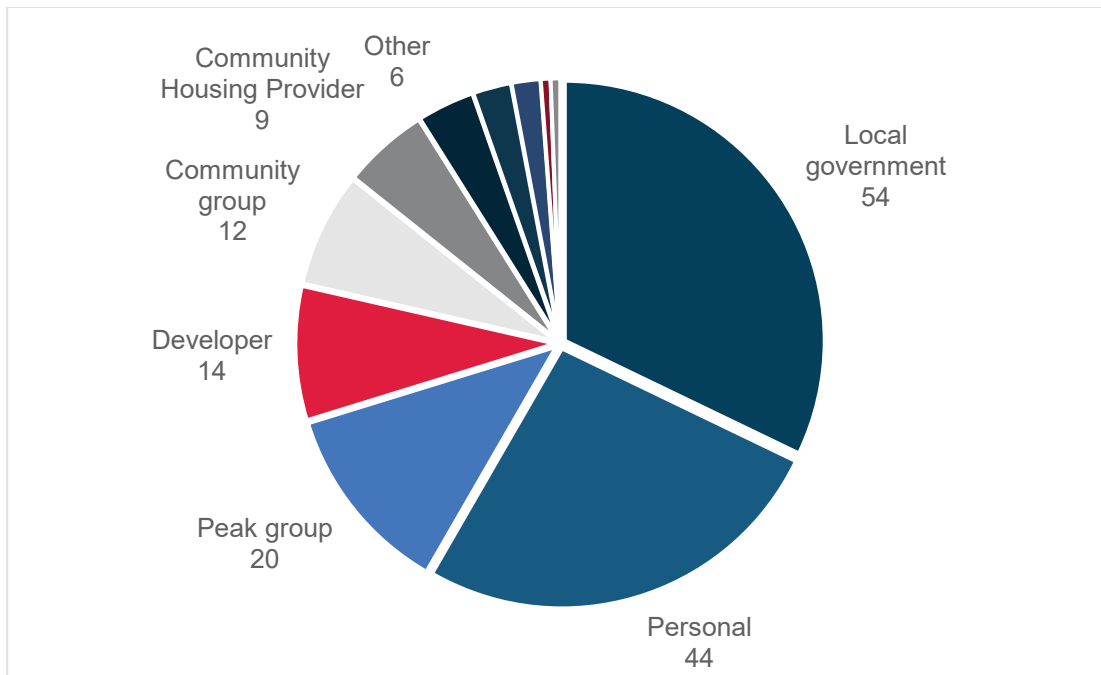
Consultation

To inform its final recommendations, the Taskforce undertook extensive consultation through August 2021, holding meetings with various Government and non-Government stakeholders, including 11 open virtual roundtables with stakeholders. The first 4 roundtable sessions were targeted at specific stakeholder groups: local councils and Local Aboriginal Land Councils, Community Housing Providers (CHPs), the development sector and the general public. The 7 subsequent sessions were focussed on specific regions within NSW and their local concerns and were open to all stakeholders and community members: Central Coast and Hunter; North Coast; New England and North West; Central West, Orana and Far West; Riverina Murray; Illawarra

Shoalhaven; and the South East and Tablelands. Over 400 people attended these sessions, which provided an open forum to discuss housing issues, drivers of housing pressures, and to identify barriers in the planning system to housing supply and affordability.

The Taskforce has consulted within Government to understand the implications of the related work listed above. A series of discussions were also held with individual stakeholders including representative from Government agencies and Members of Parliament. The Taskforce also worked with stakeholders within Government to review data and evidence to understand both broad and local trends in regional housing and their impacts on regional communities.

Figure 1 Regional Housing Taskforce Submissions by Stakeholder Group



A Findings Report detailing the data and evidence considered by the Taskforce and the issues raised through consultation and in submissions was published on 1 October 2021 and is available through [the DPIE website](#), along with copies of the 168 written submissions that the Taskforce received during (excluding confidential submissions that could not be anonymised).

Structure of the Report

The Taskforce recognises that a long-term view is needed to address housing system issues. The Taskforce arrived at a set of principles that it considers essential to underpin an impactful policy response. In the context of these principles, the Taskforce identified a set of recommendations for Government, as well as issues outside of the planning system recommended for further consideration by Government.

This report is structured as follows:

- **Summary of Key Findings** provides an overview of the Taskforce's Findings Report, including key issues and themes.
 - **Principles** outlines the 8 principles adopted by the Taskforce, how the Taskforce arrived at these principles, and how each principle can be applied to guide the reform of current policies and processes, and to gaps in existing policy and plans.
- Recommendations** details the actions identified by the Taskforce, including priority actions, in the context of these principles.

Summary of Key Findings

While housing issues in regional NSW need to be understood in the context of broader housing trends, there are also unique factors and challenges in regional housing markets that frustrate the delivery of the right types of homes in the right locations and at the right time.

Declining affordability has been a trend over several decades in NSW and across Australia, with housing outcomes driven by various demand side and supply side factors, including the planning system and land availability, as well as taxation, interest rates, financial regulation, and other drivers that sit outside of the scope of the Taskforce's investigation. The Taskforce heard that, while the planning system plays an important role in influencing the type and location of housing and coordinating development, a planning-led response directed at supply alone is highly unlikely to solve affordability issues.

The Taskforce also heard planning responses need to consider the influence of regionally specific market factors on housing delivery in order to develop effective mechanisms and incentives to bring about needed supply beyond simply releasing land and approving development. These factors include development feasibility, the size and expertise of the local development sector, and variance in cost and availability of materials by location, as well as local constraints such as infrastructure and environmental factors.

There is a need for improved upfront strategic planning to resolve issues earlier in the planning process, including better alignment of the work of planning and other State agencies, to ensure that subsequent planning processes can be streamlined, and that development can be timely and well-coordinated.

Stakeholders emphasised the importance of 'upfront' strategic planning so that issues and constraints are identified and resolved earlier in the planning process. For example, there was an identified need for up-to-date regional and local strategies that are well supported by detailed technical studies and well-aligned with other government agency strategies. Sub-regional approaches that reflect broader housing markets and needs and allow for co-ordinated responses across local administrative boundaries were also supported to overcome local differences in planning approaches.

The Taskforce heard about the impact of lengthy decision-making processes and the complexity of navigating the planning system on time-critical housing provision, with a common perception being that processes are duplicated, and the same issues re-examined across rezoning and development approval stages. Better information at the strategic planning and rezoning stages, including input from State agencies, was identified as being necessary to ensure land-use decisions in the regions are well-aligned and supported, which has the potential to reduce delays in planning decision-making processes and in development delivery. Additionally, there was feedback that greater emphasis should be placed on considering the impact of large-scale infrastructure and other major regional projects on local housing markets in early planning phases.

There is understood to be sufficient residential zoned land across most of regional NSW to accommodate forecast demand over a number of years, but not all land that is currently zoned for housing can or will be developed.

Rather than there simply being a lack of zoned land, stakeholders identified that there were issues with activating latent zoned supply to bring housing 'to market' due to barriers such as infrastructure provision and servicing, development feasibility, and unaddressed environmental constraints. It was identified that approaches are needed to unblock latent supply and that a

distinction between development-ready land and zoned land must be made when considering housing supply and the future pipeline of housing to enable better planning and coordination and more efficient use of finite resources.

Even where zoned land is unconstrained and serviced, development may not be realised in the short term if it is not feasible or optimal to develop at a given point in time due to market factors. Many stakeholders indicated that incentives were needed to encourage development where it was feasible to address the practice of land banking, which was seen as preventing the delivery of needed supply.

Approaches to infrastructure planning, delivery and coordination need to be improved to unblock regional housing supply.

The coordination and delivery of infrastructure to support housing delivery was commonly cited as a major barrier to the provision of new housing in the regions. The feasibility of development in many parts of regional NSW is more marginal than in Sydney, with more limited capacity for developers to pay the contributions required for enabling infrastructure such as roads, water, and sewer, and regional councils reporting limited capacity on their part to make up the gap. The Taskforce heard about the need for greater effort and resources applied to the upfront planning of infrastructure delivery including prioritisation, staging and coordination.

Regional communities recognise the need for more diverse and affordable housing to better meet current and future needs, including smaller homes and housing for older people, but delivery of diverse and affordable housing is a significant challenge.

A mismatch between the housing that is needed and what is provided in existing and new housing is a ubiquitous issue across regional NSW. A lack of housing diversity in terms of housing types, size, tenure and price, was raised by stakeholders as a serious issue that will worsen over time if the types of housing that are supplied, predominantly large detached houses, do not change to meet changing housing needs. Smaller, accessible dwellings that are located close to centres and services are needed to house regional NSW's ageing population and to provide appropriate accommodation for smaller households. The Taskforce also heard of the broader environmental, social and economic benefits of minimising urban sprawl in favour of more compact growth patterns.

The majority of regional councils have actively sought to encourage greater housing diversity through changes to zoning and development standards. The Taskforce heard of a range of challenges in delivering more diverse housing, including barriers within the planning system, such as poorly targeted planning controls, and other barriers such as market factors that limit feasibility, and community concern. The need to demonstrate how density can be done well in regional contexts was frequently raised as a way to help create a market precedent for these types of development, to alleviate community concerns, and to help councils set controls that can facilitate well-mannered infill housing that enhances local character.

The Taskforce also heard that regional communities were experiencing an urgent need for more social and affordable housing, including appropriate housing for Aboriginal people, with recent events highlighting that many Aboriginal people's needs are not being met by the private housing market or by existing Government-owned Aboriginal Housing. Having access to secure, appropriate and affordable housing has significant impacts on the wellbeing and health of individuals and broader ramifications for the whole community.

It was identified that current planning policies and mechanisms to encourage diverse and affordable housing may not be well calibrated to regional contexts or and have had limited uptake suggesting they may not be fit for purpose. Streamlined and depoliticised assessment pathways for social and affordable housing were suggested, as was the utilisation of government levers outside

of the planning system to help facilitate affordable housing supply. There was also a suggestion that planning policies and mechanisms need to better understand regional nuances in order to deliver the desired outcomes. The community housing sector and local government sectors signalled a strong willingness to partner with the NSW Government to activate government land holdings to provide social and affordable housing, but that more action was needed on the part of Government to bring these opportunities forward.

Regional housing markets are vulnerable to spikes in demand, including from temporary and seasonal workers, short-term holiday letting, and planning needs to better anticipate and respond to these impacts.

Regional housing markets can be particularly vulnerable to spikes in demand caused by seasonal or temporary workers especially in the agriculture, mining, and construction sectors, or by tourism. While these sectors are important for regional economies and productivity, the Taskforce heard that they can negatively impact on housing affordability and availability for existing communities, who struggle to plan for and accommodate additional demand both over the short term, for example, when linked to smaller infrastructure projects, and when they lead to longer term changes in the housing market, for example, through the growth of the tourism industry.

Stakeholders indicated that the planning system needed to better assess the housing impacts of State and Regionally Significant Development projects, to review approval pathways and controls for various types of temporary and short-term accommodation, to effectively regulate Short Term Rental Accommodation, and to incentivise the provision of long-term rental accommodation.

Principles

1. Invest in upfront, place-based strategic planning to improve decision-making, provide certainty and enable more efficient assessments.

NSW aspires to have a plan-led system, with decisions led by strategic planning that provides certainty to the community and proponents about how issues will be resolved and what future development will look like. Through the Taskforce's investigation it became clear that many of the issues that arise in the approval of new housing via the planning system, causing lengthy assessment timeframes and delays, relate to issues that should be ideally addressed at a strategic level due to their complexity and the scale of impacts.

To enable more efficient assessment, effort and resources should be applied earlier in the planning process at the strategic planning stage to create the optimal decision-making context and provide greater clarity and certainty in future decisions, including early collaboration between State and local governments to identify and manage constraints on development and agree on priorities for new housing supply.

Stakeholder Views

Stakeholders identified that regional and local strategic plans do not necessarily provide a clear pathway to approval and development as they can lack an appropriate level of detail or direction, are not always reflective of conditions on the ground, and are not always adequately supported by technical studies, resulting in gaps in the strategic framework. Inadequate resourcing of strategic planning was cited as a key reason for this. A lack of consistency between the State agencies' strategies and priorities and between State strategies and local strategies was also identified as undermining efforts to plan for and deliver new housing.

While it is recognised that the consideration of development impacts should occur at different points throughout assessment as a proposal evolves and impacts become clearer, the Taskforce heard the planning system can be duplicative between different stages of assessment, with previously resolved issues being revisited and a lack of clarity around what is addressed at different stages of assessment.

Relevance to the planning system

The planning system should identify where development will be supported, how infrastructure will be delivered and signpost what constraints exist and their implications for development. The Taskforce does not consider planning processes to be inherently slow or restrictive, but an absence of clear strategic direction and information on constraints results in longer decision-making timeframes as required technical and supporting information is sought.

Investing in technical studies and strategic plans to set a clear path for development can pave the way for more streamlined assessments in later stages of the planning process. Specifically, undertaking key technical studies required to support the rezoning of sites identified in Local Housing Strategies (LHS) or equivalent strategies for future growth would minimise study requirements for individual planning proposals where these are well-aligned with strategic plans.

Current responses to these issues

Improvements have been made in strategic planning in recent years, with legislative changes to embedding strategic planning in the planning system through Regional Plans across NSW and Local Strategic Planning Statements in all local government areas (LGAs). However, sustained effort and appropriate resourcing of strategic planning is required to fully realise the promise of these changes. Improving the integration and alignment of state agencies' strategies and reaching agreement on how competing priorities can be balanced in the strategic planning stage, so that constraints are known and avoided or otherwise prioritised for resolution through coordinated

effort, would further capitalise on recent changes in the planning system to place greater emphasis on strategic plans. There is also a role for strategic plans, such as LHS, to set clearer direction on the types of housing that will be built and to better establish the timing and sequencing of development to improve the coordination of housing and service delivery.

2. Provide a more transparent and certain supply pipeline and activate latent supply by addressing infrastructure requirements and resolving site constraints

Most regional councils reported that they have an adequate supply of latent zoned residential land to meet future housing needs for 20 years or more. However, the Taskforce understands that much of this land, particularly legacy zonings or paper subdivisions that were approved decades ago, is heavily constrained due to biodiversity and environmental factors, risk from natural hazards, the lack or expense of infrastructure servicing, or market factors, and may no longer be suitable or feasible to develop in the current policy and market context. In contrast, some land that is suitable for development is believed to be subject to land banking resulting in significant delays in planned housing coming to market and undermining strategies to reduce housing prices by increasing supply. This means that the current housing pipeline, based on the theoretical yields of currently zoned residential land, is not necessarily reflective of likely future housing supply.

This creates problems for orderly settlement and infrastructure planning and the efficient use of council and State resources in the regions, particularly in areas with multiple development fronts. It also creates issues for regional communities, as development of a particular site may not be in line with current community expectations.

A better understanding is needed of the location and amount of unconstrained or minimally constrained residential zoned land and the likely timeframe for the development on this land in order to guide priority infrastructure investment and provide greater certainty to the community about future development and housing supply. Where land is heavily constrained, government needs to identify whether constraints can be addressed and what is needed to resolve them, and to direct resources to address supply blockages. Where land is not constrained, mechanisms should be considered to bring forward the supply of homes in line with need. If resolution is not feasible or realistic in the short to medium term, alternative approaches to provide housing should be identified. The long-term suitability of heavily constrained residential zoned land will also need to be reconsidered.

Stakeholder views

The need for more sophisticated measures of housing supply was expressed by stakeholders. Concerns around how pipelines are defined and considered in strategic plans were expressed by the development industry, with assumptions of predicted development yields not adequately reflecting development conditions. Conversely, concerns about land planned for residential development not being realised due to 'land banking' were raised by councils and community.

Many of the barriers to development raised in consultation were site-specific constraints, requiring a contextual solution rather than a standardised response. The sense from many was that unconstrained land in the regions had already largely been developed, and that resolving constraints on existing zoned land was preferential to exploring new residential releases, which are likely subject to similar or worse constraints and to encounter similar difficulties and delays.

Relevance to the planning system

A clearer understanding is needed to overcome site constraints and other barriers to development where possible, and to better understand developer activity and why development of zoned and serviced land may be delayed. This should inform the prioritisation of infrastructure investment and focus the effort of councils and state agencies in resolving assessments, providing timely referrals and delivering infrastructure.

Current responses to these issues

DPIE's Planning Delivery Unit (PDU) represents a proactive approach to resolving prolonged complex land use and infrastructure issues preventing proposals from progressing and appears to be effective at navigating complex site-specific issues, resolving longstanding disputes and

accelerating decision making. However, in conjunction with the deployment of the PDU in the regions, broader approaches are needed to systematically address constrained land, blocked housing supply, and the issue of land banking.

3. Strengthen collaboration by the NSW Government with the Federal Government, local government, and industry to improve the identification, funding, and delivery of infrastructure to support priority housing

Prioritising, coordinating and delivering infrastructure in a timely way is critical to ensure that the planning system can respond to demand and facilitate a steady pipeline of housing in the regions. The substantial number of growth fronts across regional NSW present challenges in planning for and coordinating the delivery of infrastructure, stretching resources and making prioritisation of works difficult.

There is clear scope for improving the way that infrastructure is planned for and delivered in the regions by prioritising the delivery of infrastructure in places where housing is most needed and will be developed in the short to medium term. To accelerate regional housing supply, greater collaboration is needed between all levels of government and between State agencies to work towards agreed outcomes and timing, including embedding aligned priorities across agency strategies and work programs.

Stakeholder views

The delivery and funding of infrastructure like sewers, roads, water, and electricity, was one of the most commonly cited barriers to new housing delivery throughout consultation. Stakeholders indicated that a lack of coordination between State agencies was resulting in divergent rather than shared infrastructure priorities and misalignment across government plans and strategies, the result of which was that the delivery of enabling infrastructure was out of sync with planning approvals. The distribution of critical infrastructure funding also came into question, with some stakeholders arguing that high growth areas in regional NSW receive a comparatively small percentage of total infrastructure spend.

Relationship to planning system

Providing a formalised platform for various state agencies, local government, service providers, development sector and in some cases Federal government to identify infrastructure needs, set priorities and coordinate delivery, would provide greater certainty on when enabling infrastructure will be delivered and how it will be funded. Greater articulation and clarity on infrastructure needs and priorities across the regions would provide a clearer picture of the funding implications of future growth and allow for identification of potential funding shortfalls.

Current responses to these issues

Place-based models are increasingly being used in NSW to address infrastructure coordination and delivery. In metropolitan Sydney, Place-based Infrastructure Compacts (PICs) have been tested with the aim of better aligning growth with the provision of infrastructure and services. PICs aim to achieve early agreement across agencies on infrastructure needs, identifying servicing costs at a precinct scale and set out a plan for the sequencing of works.

Models such as the Urban Development Program (UDP), which currently operate in the Hunter and Illawarra-Shoalhaven, provide a forum for both private and public stakeholders responsible for delivering housing and infrastructure to coordinate the staged zoning and release of land, monitor housing delivery, track the servicing of land and help set infrastructure priorities across the various parties responsible. Tailoring similar place-based infrastructure delivery approaches to other regions across NSW and further enhancing the existing UDPs should be explored by Government.

Existing funding programs to assist councils in delivering infrastructure, such as the Housing Acceleration Fund (HAF), play an important role in many areas in delivering priority infrastructure. Councils can face challenges with upfront financing of infrastructure, with the time to collect developer contributions to fully fund a piece of infrastructure leading to the stalling of development. Opportunities to better target such funds regional areas should be explored, particularly to expedite development in high need areas.

4. Ensure new housing is appropriately located, well-designed, fit for purpose, and better provides for the diversity of housing needs, including strengthening planning and approval pathways for innovative typologies and tenures.

New housing should respond to the broad range of housing needs within a community, including demand for more diverse housing types than what is typically developed in regional contexts. Shifting demographics, changing housing preferences and growing housing pressures all point to the need for greater diversity of housing in regard to type, size, tenure and location to provide people in regional communities better housing choice and access. Proximity to shops, services, public transport, open space and social infrastructure must be considered in planning for future housing supply in the regions, particularly considering the growing demand in many regional communities for accessible housing that enables people to age in place and remain close to their existing support networks and community as they become less mobile.

More compact development models also need to be promoted in the regions. Broader benefits can be realised through increased diverse and infill housing development, such as more efficient use of infrastructure, improved accessibility, greater resilience to natural disasters, lower car dependency and reduced land clearing.

Stakeholder views

A lack of housing diversity was identified as an issue in the majority of regional communities. Generally, concerns related to a lack of small dwellings and dedicated rental housing. The need for seniors and disability accommodation was also raised. Despite growing demand for more diverse housing in regional communities, infill and diverse housing was identified by many stakeholders as being difficult to develop in regional centres and towns, in part due to the lack of market precedent, and in part due to local planning controls that constrain new designs and typologies. Some community opposition towards infill development was also noted, although many stakeholders indicated that they thought this resistance could be overcome through projects and guidelines to show how infill can be sympathetic to local character and enhance liveability.

Multiple stakeholders outlined the need to explore alternative types of housing to help manage temporary fluctuations in demand such as tiny homes, manufactured home estates, caravan parks and meanwhile uses. Such housing was also identified as having a role in providing temporary accommodation in times of crisis, such as following a natural disaster, and accommodating for the influx of seasonal or temporary workers.

Relationship to planning system

The planning system can influence housing choice and affordability by setting planning controls that allow or even explicitly require a more diverse mix of housing in new developments, providing smaller and cheaper homes that enable a broader range of households to find appropriate accommodation. This has many potential benefits, including allowing households to save on rent or mortgage payments, downsize within the same community, or gain a foothold in the property market. Facilitating the supply of smaller, more accessible homes also provides opportunities for seniors to access lower maintenance homes and age in their communities.

The planning system must also set State and local level controls to ensure that denser forms of housing development are of a high design quality (without adversely impacting on feasibility), enhance local character and can foster greater community support for a broader range of housing types.

Planning also has a role in enabling innovation in housing delivery by providing clearer and simpler planning pathways for alternative housing and a diversity of tenure types such as Community Land Trusts, shared equity, co-living, meanwhile use and temporary housing (such as temporary supportive housing for those at risk of homelessness or in crisis), build-to-rent, and tiny homes that

have the potential to help meet diverse housing needs and mitigate pressures on the housing market, particularly for rental and short term housing.

Current responses to these issues

A broad range of reforms have been put in place to boost the supply of more diverse housing types, with policies such as the Low Rise Housing Diversity Code, Design and Place SEPP, Housing for Seniors or People with a Disability SEPP and the new Housing SEPP planned for release collectively providing pathways for a range of more diverse housing types. While positive changes have been made, the benefits have not always been realised in regional contexts and further work is required to ensure that the planning system establishes development settings that allow and encourage the development of more diverse housing in regional areas where it is most needed.

Regional Plans and Local Strategic Planning Statements, as well as various housing and growth strategies, have increasingly recognised the need for more diverse and infill housing to meet changing housing needs. However, efforts to boost the supply of more diverse housing may need to extend beyond providing approval pathways, as low development take-up due to low development feasibility acts as a substantial barrier. Use of government land, public private partnerships, financial incentives and demonstration projects hold the potential to overcome these barriers and provide opportunities to test innovative housing models.

5. Consider social and affordable housing as essential social and economic infrastructure

The Taskforce recognises that secure and appropriate housing is essential for the social and economic wellbeing of communities, and that social and affordable housing in particular play a critical role in the prosperity of NSW by providing shelter and stability for those who cannot access or afford housing in the private market (or cannot do so without significant financial stress) and for those experiencing crisis. The Taskforce heard repeatedly through consultation about the urgent need for additional social and affordable housing in regional NSW, and submissions documented the broad social and economic impacts that the shortage of genuinely affordable accommodation have on regional communities.

For this reason, the Taskforce considers social and affordable housing to be essential infrastructure and recognises the responsibility that government has to increase its supply and quality. This includes ensuring that the right policy settings and programs are put in place at the State level to deliver needed social and affordable housing in the regions, strengthening collaboration across all levels of government to ensure all tiers work together to enable new social and affordable housing supply, and continuing to support and build the capacity of the community housing sector in regional areas.

Stakeholder views

The view that social and affordable housing is essential infrastructure was supported in a number of submissions and is also consistent with Infrastructure Australia's 2021 Australian Infrastructure Plan. The Taskforce heard that there is scope to improve the delivery of new social and affordable housing in the regions via the planning system. Specifically, stakeholders raised the need to review the effectiveness of existing incentives and policies for affordable and social housing in regional contexts and recalibrating these as needed, depoliticise decision making for social and affordable housing projects, and support councils in implementing local planning controls and housing strategies supportive of social and affordable housing, including Affordable Housing Contributions Schemes.

However, it was recognised that planning system mechanisms alone are unlikely to deliver the needed volume of affordable housing, and that complementary policies and programs are needed to facilitate investment in new supply and renewal of existing stock, and strengthen collaborative approaches between governments and the regional community housing sector, including addressing the legal and financial barriers to projects.

Relationship to planning system

Recognition of social and affordable housing as infrastructure entails prioritising, planning for, and implementing programs and funding to deliver social and affordable housing. The planning system can facilitate this through prioritising the delivery of social and affordable housing in strategic plans, setting appropriate incentives to encourage greater supply of such housing types and streamlining their planning pathways.

The broader benefits of social and affordable housing, including increased social and economic participation, improved standards of living, and reduction in homelessness levels, have the potential to outweigh this additional investment, including savings from other aspects of government expenditure over the long term. Stakeholders stated that a lack of investment and intervention to provide affordable housing was acting as a handbrake on business investment in the regions and that investment in social and affordable housing could support the post-COVID economic recovery. A lack of appropriate, affordable housing also inhibits the government's ability to attract and retain essential workforce personnel to rural and regional areas to deliver critical public services. This in turn threatens ongoing service delivery to affected communities and erodes equity of access to essential services in our regions.

Current responses to these issues

Several planning mechanisms have been established to provide a framework to boost the supply of affordable housing across NSW, including SEPP 70 and the Affordable Rental Housing SEPP. However, stakeholders raised that these are not well-calibrated to regional contexts and should be reviewed. Alternative approaches to increasing the supply of affordable and social housing should also be considered, including mixed tenure models where developments include a mix of private, social and affordable housing to cross-subsidise non-market housing.

Various programs to invest in the construction of social and affordable housing are in place across NSW, including Communities Plus, the Social and Affordable Housing Fund, Aboriginal Community Housing Investment Fund (ACHIF) and the Community Housing Innovation Fund (CHIF). A social housing stimulus package to deliver 800 new social housing dwellings and upgrade a further 16,500 was announced in the 2020-21 Budget, with a commitment to construct a further 1,400 social housing dwellings in October 2021. Considering the scale of housing pressures being faced by regional communities, and the substantial social housing waitlist, sustained financial commitment to social and affordable housing is needed by Government.

6. Facilitate the delivery of diverse housing that meets demonstrated need through targeted use of government land

Government land is a public resource, and it should be utilised to respond to public need. Given widespread housing need, and issues of commercial viability for social, affordable and diverse housing types in regional NSW, the Government should take steps to ensure that surplus government land is utilised for providing diverse, social and affordable housing or housing for workers who provide essential public services as a matter of priority. Utilising government owned land for housing also presents opportunities to pilot new approaches and development models to demonstrate best practice outcomes and to create market precedent for smaller housing typologies.

It is noted that there are existing policy barriers that limit the ability of NSW government agencies to utilise property assets for community benefit without attaining full market value. Similarly, requirements that government development corporations achieve specific financial objectives and rates of return constrain the ability of these organisations to be used as vehicles to deliver additional housing for community benefit, particularly in regional locations where large profit margins are less achievable.

Stakeholder views

Stakeholders identified several successful projects using vacant government land to deliver affordable housing. There was widespread support amongst submissions for more extensive use of government land to enable the development of diverse, social and affordable housing, including council, State and Commonwealth owned land. Using government land to deliver housing types with limited commercial viability in regional areas such as aged care, seniors housing and smaller housing typologies was also broadly supported.

CHPs reported that the most significant barrier to growth of CHP managed social and affordable housing is access to land. While operating models mean construction, maintenance and operational costs can largely be covered by existing arrangements, without land grants or partnerships CHPs must compete in the private market to acquire land. Land acquisition in high value markets, where housing pressures are most acute and the demand for subsidised housing is highest, makes the delivery of social and affordable housing where it is most needed difficult.

Some local councils already have productive and mature relationships with CHPs and non-profit organisations, engaging in partnerships to deliver housing on council owned land. However, this is not universal, and the limited number of council owned sites appropriate for housing development was raised as a barrier. The complexity of establishing joint ventures such as negotiating appropriate incentives, outcomes and financial arrangements, as well as navigating requirements under the *Local Government Act 1993*, was reported to be a barrier to using council owned land for housing. Using state owned land to deliver diverse, affordable and social housing could both add to the supply of potential development sites and establish best practice approaches, supporting councils to take a more active role in the delivery of housing.

Current policy settings which restrict agencies' ability to transfer or divest land for less than market value were acknowledged as a barrier to broader uptake, as were requirements on state-owned development corporations to achieve specified profit margins.

Relationship to planning system

Expanding the use of government land for housing projects targeted at addressing unmet housing needs would boost the provision of diverse, social and affordable housing and help secure the government's ability to provide essential public services to regional communities. It would also create market precedents in regional areas, demonstrating best practice design and the value of more diverse housing and allaying community concerns about design quality and impact on local character.

Through utilising government land for housing, there is opportunity to better utilise the resources and knowledge of local government and support the expansion of the community housing sector. The community housing and local government sectors signalled a strong willingness to partner with the NSW Government to activate government land holdings to provide social and affordable housing, but support from the State Government is needed to bring these opportunities forward. This includes removing barriers to utilising government property assets for social outcomes and unlocking the potential for government-led delivery of additional housing supply via its development vehicles.

Current responses to these issues

Under *Housing 2041* the [Government Property Index](#) has been established, providing a public register of NSW Government-owned land to enable stakeholders to identify opportunities and submit proposals for use of government owned land for housing. Setting clear criteria around the types of proposals that would be supported, what housing outcomes are being targeted, and identifying priority sites would help realise the full potential of this program, while also supporting government objectives to support growth in the CHP sector to increase the supply of social and affordable housing.

7. Build the capacity of local government and local industries to plan and deliver housing in the regions

Planning for future housing supply must consider the capacity of local councils to effectively forward plan for housing and the capacity of local development industries to activate supply and deliver desired outcomes. The Taskforce considers it critical to address the skills and resource gaps that act to suppress development activity in some regions in order to boost housing supply and improve housing outcomes.

New and expanded existing models and arrangements to support councils who do not have the in-house expertise or necessary resources to deliver required studies and planning to deliver housing should be investigated. Additionally, support should be given to LALCs experiencing resourcing issues in funding and undertaking necessary technical studies and planning to develop their landholdings, as these issues act as barriers to realising the objectives of compensation and economic self-determination of Aboriginal communities.

Stakeholder views

Stakeholders recognised the need for and importance of upfront planning but identified resource limitations that make it difficult for many regional councils to balance all their planning responsibilities, including completing strategic plans, technical studies, infrastructure contributions plans, and planning proposals, and assessing development applications. Some councils reported having to make trade-offs, with more immediate demands such as meeting assessment timeframes taking priority over longer term strategic planning. Difficulty attracting additional staff with the expertise required to plan for and facilitate housing was also raised as a challenge in some cases.

The Taskforce heard that many LALCs face acute resourcing constraints, as their landholdings are often heavily constrained and require upfront funding for technical studies and planning expertise to successfully gain rezoning and development approval. The need to support LALCs in navigating the planning system, addressing development barriers and developing their sites was raised, as without such support the broader objectives of Aboriginal land claims for economic self-determination would not be realised.

A lack of skilled trades and workforce capacity was a particular concern for the construction industry. Similarly, shortages of engineers, planners and certifiers were also cited as barriers for local government and state agencies engaging in strategic and statutory planning processes.

Relationship to planning system

Housing can only be effectively planned for and developed if the skilled resources are available. Councils should be supported in developing, attracting and retaining skills to proactively plan for future housing supply, quickly assessing development applications and developing their own institutional knowledge in managing housing delivery. However, alternative approaches should be explored in some cases. Pooled resources across multiple councils to deliver technical work and external support may be appropriate.

Current responses to these issues

DPIE established the Planning Delivery Unit (PDU) as a case management and concierge service that aims to progress development applications and planning proposals experiencing prolonged delays. The PDU offers mediation services and acts as a liaison between proponents and consent authorities and in some cases uses 'step-in' powers to reach a resolution. The selection process for projects is broad but includes projects identified as strategically significant, including projects that will deliver significant social benefit or assists with the self-determination for Aboriginal people, as well as projects including a significant portion of build to rent housing, social or affordable, seniors housing or key worker housing, meaning housing for essential public service workers such as teachers, police officers, and health workers.

There is potential for this approach to be expanded to support councils in facilitating priority housing and responding to changes in patterns of demand, although over the medium to long term other measures should be considered to increase in-house capacity in regional councils.

8. Enhance monitoring and evaluation of policy and housing outcomes

Ongoing monitoring and evaluation of policy interventions and their outcomes is essential to provide transparency and accountability to the public and to inform evidence-based decision making. Due to the complex nature of housing provision, it can be difficult to discern the relative impact of various policy interventions on housing outcomes, but it is nevertheless important that Government promotes a nuanced understanding of how planning policy impacts on housing affordability and supply. Monitoring should extend beyond just the number of approvals and completions or changes in assessment timeframes to ensure housing outcomes are considered more holistically and provide insight into how community needs are being met, and that future iterations of policy work are well-targeted and effectively designed.

There has been concerted effort across government over a number of decades to boost housing supply and address housing challenges, and further work is recommended by the Taskforce in this report. While Government policies and programs are typically reviewed against their own policy and program objectives, more holistic monitoring of their specific impact in regional NSW is needed to ensure that intended outcomes are being achieved and that there are no adverse impacts on regional housing supply or affordability.

Stakeholder views

Stakeholders raised concerns that policy interventions to provide for amenity, sustainability, affordable housing, short term rental accommodation, and infrastructure funding via contributions reform, may have adverse impacts on housing supply by undermining commercial viability. Many stakeholders were concerned about the effectiveness of the Short Term Rental Accommodation regulation on the availability of affordable rental housing in many parts of regional NSW. Other policy interventions, such as incentives for affordable housing, were identified as being of limited impact in regional areas, with the design of the policy perceived to not adequately consider regional areas.

Relationship to planning system

At the most basic of levels enhanced monitoring of housing outcomes, including early indicators of shifting housing demand and rising unmet housing needs, can help identify a need for corrective action or bring forward planning to minimise acute housing pressures. Further, the policy discourse on housing is maturing to reflect the influence of factors beyond simple interpretations of supply and demand factors, recognising that housing outcomes are not a simple matter of balancing population growth with dwelling completions. It is important that the complexity of factors influencing housing outcomes are recognised and understood, and the impact of policy changes are measured, in order to set effective housing policy. Going forward it is important to build a more sophisticated understanding of the way in which planning policy and other levers influence the cost, location and type of housing that's developed and the speed at which it is delivered.

Current responses to these issues

The [Housing Evidence Centre](#) centralises a range of housing data and information to support councils and agencies in undertaking housing analysis and setting housing policies. Resources such as these should be expanded in the future to further support the monitoring of housing outcomes and support local councils in undertaking housing analysis and strategic planning. Improved regional housing data should also be utilised to inform policy reviews and to increase transparency and accountability around intended and actual policy outcomes.

Recommendations

In the context of these principles, the Taskforce has identified a series of recommendations to improve regional housing outcomes and the delivery of housing via the planning system. In addition to these planning system-specific recommendations, the Taskforce has identified further areas beyond the planning system that it considers necessary to improve housing outcomes in regional NSW for the consideration of the NSW State Government.

The table below includes actions to be delivered **now**, for immediate implementation; **in the next 2 years**, for actions requiring a short-term program or one-off policy reform; and **2-5+ years**, for actions to be sustained as an ongoing policy or program. Some recommendations may require action across all timeframes to achieve all desired outcomes.

Recommendation	Do Now	Short-term	On-going
1. Support measures that bring forward a supply of “development ready” land by:			
1.1 Expanding the Urban Development Program areas to improve the coordination and delivery of new housing. The UDP should focus on setting serviced land targets, identifying infrastructure requirements, aligning infrastructure plans, and auditing residential zoned land to identify other barriers to development (including environmental constraints and biodiversity offset costs) to establish a clearer housing supply pipeline.	•	•	•
1.2 Supporting the delivery of critical enabling infrastructure through introducing reforms to infrastructure contributions and implementing complementary initiatives to sequence and prioritise infrastructure contributions plans, targeted grant programs and low-cost loan schemes.		•	
2. Increase the availability of affordable and diverse housing across regional NSW by:			
2.1 Facilitating the strategic use of government-owned land to provide improved housing outcomes through the delivery of affordable, diverse, and key worker housing, including through identifying priority sites for housing, the removal of policy obstacles that prevent utilisation of existing government land and property assets for housing, and the maturation of the Government Property Index.	•	•	•
2.2 Establishing an ongoing program to deliver new and renewed social and affordable rental housing in the regions through partnership between government housing providers such as LAHC and Landcom, local government, and the community housing sector.	•	•	•
2.3 Reviewing incentives and planning controls for affordable and social housing to ensure that these settings are effective in encouraging social and affordable housing supply in regional contexts.		•	

Recommendation	Do Now	Short-term	On-going
2.4 Reducing barriers to Public Private Partnerships that deliver social, affordable and key worker housing, including reviewing legal and administrative barriers, providing guidance and support to local government, and reducing the financial performance requirements for government-owned corporations to enable them to deliver housing for broader community benefits.		•	
2.5 Prioritising diverse and affordable housing through regional and local strategic plans, minimum density and housing mix requirements for new development, place-based infill housing targets, reviewing planning instruments to ensure they enable infill housing, and introducing model controls that support councils to facilitate good infill design outcomes.		•	•
2.6 Considering alternative approval avenues for social and affordable housing projects to reduce barriers within assessment processes and depoliticise decision making, including self-assessment powers for low-impact developments for groups such as the Aboriginal Housing Office.		•	
3. Provide more certainty about where, when and what types of homes will be built including by:			
3.1 Supporting the preparation of local and subregional housing strategies with clear implementation plans that are backed by up-to-date technical studies. Implementation plans should clearly address how constraints can be managed, the planned sequence of land release, the use of government and LALC-owned land to provide housing, and assessment timeframe targets. Consideration should be given to how government-owned land can be used to help meet the biodiversity offset requirements of new development.		•	
3.2 Deploying the Planning Delivery Unit in regional NSW to support regional councils and industry to resolve planning barriers affecting new housing supply on zoned and serviced residential land, including biodiversity requirements, and support council development assessment capacity.	•	•	•
3.3 Investigating mechanisms to incentivise the development of residential zoned land to address land banking and assist the timely release of new housing supply.		•	
4. Investigate planning levers to facilitate the delivery of housing that meets short term needs by:			
4.1. Introducing standard planning pathways for temporary worker accommodation and investigating planning pathways for innovative housing options for a variety of needs, such as temporary supportive accommodation for those in crisis and housing for seasonal workers.	•	•	

Recommendation	Do Now	Short-term	On-going
4.2. Implementing early and regular assessment of and mechanisms to address additional housing demand associated with State Significant Development in regional NSW across construction and operational stages.		•	
5. Improve monitoring of housing and policy outcomes and demand indicators by:			
5.1. Establishing long-term benchmarks that ensure housing in regional NSW meets the needs of regional communities, and improving monitoring and forward planning for housing by accelerating the next phases of the Housing Evidence Centre to provide an open-access and accurate evidence base for housing-related data with indicators of performance against benchmarks.	•	•	
5.2 Reviewing the short and longer term impacts on regional housing outcomes of recent and planned reforms, such as the Housing SEPP, Design and Place SEPP, infrastructure contributions reform and the regulation of Short Term Rental Accommodation.		•	

Other Considerations

The Taskforce recognises that sustained co-ordinated effort across government beyond just the planning system is needed to address housing issues and improve housing outcomes. The NSW Government should work with the Federal Government to push for more significant reforms at the Commonwealth level to boost the provision of social and affordable housing and to address affordable home ownership.

Within the remit of the NSW Government, the Taskforce recommends reviewing the funding and financing arrangements for social and affordable housing to support the renewal and expansion of social and affordable housing stock in the regions, including through funding models that increase the capacity and sustainability of the regional community housing sector.

The Taskforce also recommends that future iterations of *Housing 2041* and supporting action plans, as well as the Expert Housing Advisory Panel in its role in overseeing the delivery of *Housing 2041*, consider the findings of the Taskforce and the principles in this report to inform the development of targeted actions that address regional housing issues.

The NSW Government should also consider programs and initiatives to address skills gaps in regional development and construction industries, including certification services, to support the expansion of complying development pathways in the regions. Building the skills and capacity of these industries to deliver a more diverse range of housing products in the regions should also be a priority, as should programs and initiatives to ensure that regional councils are appropriately resourced and supported to plan for and assess new housing in a timely and efficient manner.

Appendices

Appendix A

Regional Housing Taskforce Terms of Reference

July 2021

Background

In addition to the challenges faced by Australian housing markets nationally, regional NSW faces unique housing challenges, linked to diverse economic, environmental and social pressures, and a complex policy context. Changes in migration patterns and housing preferences resulting from COVID-19, growing unaffordability, low rental vacancy rates and mismatches between supply and demand are increasingly placing pressure on regional communities.

The Regional Housing Taskforce (the Taskforce) was formally announced in June 2021 by the Minister for Planning and Public Spaces to identify challenges in the planning system that are preventing the delivery of housing supply and formulate recommendations to improve housing outcomes in regional NSW. The Taskforce is to focus on the technical planning barriers that prevent new housing being delivered within the strategic context of the work being undertaken under the NSW Housing Strategy.

Purpose

The purpose of the Taskforce is:

- To undertake consultation with local government and experts from the development and housing sectors to identify barriers in the planning system to new supply and develop potential solutions
- To advise the Minister for Planning and Public Spaces on the findings of the consultation and research and recommendations to achieve better housing outcomes for regional NSW through the planning system
- To contribute to the evidence base identifying housing challenges and planning barriers to housing delivery, building on existing background work to inform future government housing initiatives and provide advice to the Housing Expert Advisory Panel, when established

The Taskforce will utilise a collaborative approach between agencies, drawing on the expertise and statutory powers of each agency.

Scope

In consultation with relevant experts and stakeholders, the Taskforce will investigate planning barriers and develop recommendations to address regional housing issues with a focus on:

- The planning system and other government levers to stimulate housing supply and address housing needs
- Removing impediments within the planning system to the delivery of affordable housing types and housing generally
- Identifying mechanisms within the planning system to facilitate and drive the delivery of housing matched to community needs

Timeframe and deliverables

The Taskforce is to submit a report outlining its findings into the investigation of planning barriers to regional housing delivery to the Minister for Planning and Public Spaces in September 2021,

followed by a second report with recommendations to address identified barriers to delivery of regional housing in October 2021.

Following delivery of the reports, the Taskforce will cease to operate unless the purpose and scope of the Taskforce is revised or expanded in consultation with, or as requested by, the Minister.

Membership

The Taskforce is led by the Chair, Garry Fielding. The Chair is responsible for convening meetings and setting the agenda for each meeting in consultation with the other members of the Taskforce. The Chair is also responsible for preparing the reports to the Minister for Planning and Public Spaces.

Senior representatives from relevant NSW Government agencies including the Department of Planning, Industry, and Environment and the Department of Regional NSW comprise the other members of the Taskforce.

The meetings of the Taskforce may also be attended by non-members, to be determined by way of invitation from the Chair.

External Engagement

A series of meetings will be scheduled in key locations across regional NSW to allow for key stakeholders such as local government, industry and the community to inform the Taskforce's deliberation and consideration of recommendations.

A call for submissions will be made to inform the recommendations to Government about changes to the planning system that will assist to deliver appropriate housing in regional NSW. The Taskforce will consider written submissions made up until 27th August 2021.