



## ENVIRONMENTAL PLANNING AND ASSESSMENT AMENDMENT (PLANNING SYSTEM REFORMS) BILL 2025

### STATEMENT OF PUBLIC INTEREST

#### Need: Why is the policy needed based on factual evidence and stakeholder input?

The *Environmental Planning and Assessment Amendment (Planning System Reforms) Bill 2025 (the Bill)* will amend the *Environmental Planning and Assessment Act 1979 (the EP&A Act)*, the *Environmental Planning and Assessment Regulation 2021 (the EP&A Regulation)* and other related Acts to modernise the NSW planning system so it is faster, simpler and more outcomes-focused. This will help boost housing supply, investment and job opportunities across NSW.

The NSW planning system is increasingly characterised by delays, duplication and complexity that slow housing delivery, create uncertainty for applicants, and increase costs for communities and government.

For example, evidence demonstrates that on average, development applications take 100 days longer when determined by Sydney district and regional planning panels as compared with local planning panels:

The current system has also created a proliferation of policies and documents that complicate the system. There are now more than 100 community participation plans across New South Wales, creating a patchwork of inconsistent engagement criteria and thresholds for applicants and communities.

Stakeholders have consistently highlighted these issues, and recent independent reviews have confirmed the need for reform.

In 2024, the NSW Productivity and Equality Commission's *Review of housing supply changes policy options for NSW* identified bottlenecks in the development assessment process due to challenges relating to engagement with state agencies, meeting development application (DA) conditions of consent, long approval processes and dealing with post-consent approvals.

Evidence from Financial Year 23/24 demonstrated that a development application with a single referral took an additional 54 days longer to determine on average than an application with none. Beyond the first referral, determination timeframes increased by around 100 days. The Commission identified several improvements that have been captured in these reforms, including the establishment of the NSW Development Coordination Authority.

The Australian Government's *State of the Housing System Report 2025* identified the need for ongoing reform and investment in the planning and housing sectors. Key industry peak bodies such as the Planning Institute of Australia have also been advocating for streamlining the assessment of low-risk housing development, more flexibility in the complying development process, co-ordinated concurrences and referrals and code based/targeted assessment.



The Housing Industry Association (HIA) has advocated for a more straightforward development process, including easier complying development pathways. The HIA identified that NSW could improve outcomes by increasing the housing supply pipeline, addressing inefficiencies and delays and expanding the use of code-assessment.

The growing body of case law before the NSW Land and Environment Court and NSW Court of Appeal has also identified areas of the planning system that require clarification to reduce litigation and provide greater certainty in interpreting provisions of the EP&A Act.

Importantly, the Bill is being introduced in response to the national housing challenge and the NSW Government's commitment under the National Housing Accord to deliver 377,000 new, well-located homes across the state by 2029.

Without reform, these issues will continue to constrain the supply of housing, undermine investor confidence, and erode the efficiency and credibility of the planning system. The proposed Bill will introduce a range of reforms to address these challenges, including:

**1. Modernising the objects of the EP&A Act**

- Introducing new objects to prioritise housing supply, improve land use productivity, address the challenges of climate change and promote proportionate and risk-based development assessment.

**2. Delivering faster and more efficient development assessment**

- Establishing a new targeted assessment development pathway to enable more focused and timely assessment of eligible development.
- Expanding the complying development pathway by allowing variations to development standards so more applications can be approved in 20 days.
- Embedding proportionate and risk-based development assessment throughout the system.

**3. Co-ordinated and centralised decision making**

- Establishing the Development Coordination Authority (DCA) to centralise agency referrals and advice on development applications. This central authority will replace the requirement for input from up to 14 state government agencies, making the development application process more efficient.
- Legislating the Housing Delivery Authority (HDA) to recognise its significant role in facilitating the delivery of state significant housing development applications and rezonings.
- Removing regionally significant development, Sydney district panels and regional planning panels, returning decision-making functions to councils and local planning panels. This should reduce assessment timeframes by up to 100 days.

**4. Simpler, improved and more outcomes-driven planning system**

- Standardising consultation requirements for development across the State with a single Community Participation Plan.
- Introducing new standard and model conditions for development consents.



- Expanding applicants' rights to seek reviews and appeals of planning decisions, including greater choice about who determines a review.
- Making minor and low-impact modifications to development consents simpler and quicker.
- Broadening the powers for the NSW Government to intervene in historical 'zombie' consents.
- Delivering a range of miscellaneous improvements to strengthen the operation of the Act.

**Objectives: What is the policy's objective couched in terms of the public interest?**

The objective of the Bill is to serve the public interest by delivering a planning system that is faster, fairer and more outcomes-focused, ensuring that new homes, infrastructure and supporting development can be delivered in a timely and sustainable way.

During the last two years, DA determination times grew substantially: from 83 days in 2021-22 to 116 days by March 2023. In May 2025, cumulative average assessment days for all local council DAs was 102 days with only 63 per cent of applications meeting the Planning Minister's Statement of Expectations Order.

The Australian Government's State of the Housing System Report 2025 identified the need for ongoing reform and investment in the planning and housing sectors. Despite recent improvements in development application timeframes, further reform is needed so that housing and supporting development can be delivered sooner.

The reforms will reduce assessment timeframes and simplify development assessment processes. These proposals will deliver homes and jobs faster while maintaining the checks and balances needed to protect community interests and the environment. The changes will help achieve the housing target of 377,000 new dwellings by 2029 in accordance with the NSW Government's commitment to the National Housing Accord.

**Options: What alternative policies and mechanisms were considered in advance of the bill?**

Several alternative mechanisms were considered, including:

- Retaining the status quo - This was not considered feasible, as existing delays and complexity in the planning system would persist and housing targets would be placed at further risk.
- Relying on subordinate legislation (regulations or directions) - This option was not sufficient, as the scope of necessary reforms exceeds regulation-making powers and would lack enduring change without primary legislation.
- Guidelines and policy changes - While these can improve practice in the short term, they cannot provide the lasting structural and cultural reforms or legal certainty needed.

**Analysis: What were the pros/cons and benefits/costs of each option considered?**

For the reasons above, amendment of the EP&A Act is the only suitable option to secure the systemic and enduring change sought by the Bill.



Primary legislation ensures that subsequent regulations and policy initiatives are clearly within power, and that the reforms have the necessary authority and certainty to be implemented effectively.

**Pathway: What are the timetable and steps for the policy's rollout and who will administer it?**

Certain amendments proposed in the Bill, will commence on proclamation shortly after assent to the Bill. These include:

- Updates to the objects
- Establishment of the Housing Delivery Authority and the Development Coordination Authority
- Amendments to section 4.15 of the Act relating to matters for consideration
- Other minor, miscellaneous improvements.

Other amendments will commence on a day or days to be appointed by proclamation. This will allow the Department of Planning, Housing and Infrastructure to complete the necessary operational and system changes before commencement.

Supporting regulations will be prepared and implemented where appropriate, following the commencement of the provisions of the Bill. The Department of Planning, Housing and Infrastructure will administer the implementation of the policy once all changes have commenced.

**Consultation: Were the views of affected stakeholders sought and considered in making the policy?**

The reforms are informed by issues raised in the NSW Productivity and Equality Commission's *Review of housing supply changes policy options for NSW*, the Australian Government's *State of the Housing System Report 2025* and by peak bodies such as the Planning Institute of Australia, the Housing Industry Association, Urban Taskforce and the Property Council.

Relevant NSW Government agencies were contacted during the preparation of the Bill and informed about the proposed reforms relevant to their portfolios.

The reforms, therefore, reflect a range of government, industry and expert perspectives. They are also consistent with community expectations that the NSW Government act quickly to improve the NSW planning system to facilitate the delivery of housing across New South Wales.

Further consultation will occur with stakeholders in relation to the implementation of specific reforms, including the new State-wide Community Participation Plan, variations to complying development, and development to be declared as part of the targeted assessment process.