Submission No 51

INQUIRY INTO RURAL HOUSING AND SECOND DWELLINGS REFORM

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Submission to the Legislative Council Inquiry into Rural Housing and Second Dwellings Reform

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1. Introduction

Progressive Project Solutions (PPS) has provided professional development application (DA) advocacy services to families across regional New South Wales for over ten years. Our principal service involves the preparation and lodgement of DAs for residential dwellings, garages, and associated structures. Over the past decade, PPS has lodged DAs in more than forty Local Government Areas (LGAs) across the State, primarily on behalf of a major modular home manufacturer based in Western Sydney servicing the entirety of NSW.

This submission provides a practical perspective on the issues confronting applicants, builders, and homeowners seeking to develop housing in regional NSW. It highlights the regulatory and administrative barriers that are impeding the efficient delivery of housing and identifies specific reforms to address these challenges.

I also note for the record that, in addition to my current advocacy role, I served as a Councillor with the Eurobodalla Shire Council from 2004 to 2008, including as Mayor from 2005 to 2008. This experience has provided me with an understanding of both the community and local government perspectives in the planning process.

2. General Observations on Regional Planning

2.1 Local Environmental Plans (LEPs)

In the early 2000s, the Department of Planning introduced the Standard Instrument LEP Template to ensure consistency across all LGAs. However, since that time, many councils have made amendments or additions that depart significantly from the intent of the standardised framework. The LEP system has consequently become fragmented, inconsistent, and increasingly difficult for applicants to navigate. A comprehensive review and re-standardisation of LEPs across NSW is urgently required to restore clarity and uniformity.

2.2 Development Control Plans (DCPs)

Each council produces its own Development Control Plan (DCP), often drafted by one or two strategic planners. These DCPs can extend to hundreds of pages, with requirements that are frequently excessive, inconsistent, or cost-prohibitive.

In many cases, DCP provisions:
- Add substantial costs to applications (often exceeding $10,000 for consultant reports);
- Require documents such as landscape plans costing $3,000–$5,000 that are rarely enforced post-construction; and
- Lead to unnecessary delays or the withdrawal of applications by individuals unable to comply with overly burdensome requirements.

While it is understood that planning controls must reflect local context, the State Government should establish mandatory guidelines to ensure that all DCPs remain proportionate, practical, and consistent with broader housing objectives.

2.3 NSW Planning Portal

The NSW Planning Portal is, in principle, a positive reform promoting transparency and accessibility in DA lodgement. However, implementation remains inconsistent across councils. Many councils misuse the lodgement process by rejecting applications for minor or non-mandatory documentation, effectively delaying the commencement of assessment and distorting DA performance statistics. Uniform procedural standards and oversight should be introduced to ensure councils comply with the intent of the portal system and are held accountable for unnecessary delays at lodgement.

3. Manufactured and Modular Housing

3.1 Industry Overview

Premier Chris Minns and the Minister for Housing, the Hon. Rose Jackson MLC, have publicly acknowledged that modular housing forms an essential part of the solution to the State's housing crisis. Modular housing is thriving in other Australian jurisdictions and internationally. However, in NSW, the industry faces growing resistance, with an increasing number of councils refusing to accept applications for modular dwellings. This has placed the future of the industry at serious risk, despite its proven ability to deliver high-quality, affordable homes quickly and efficiently.

3.2 Legislative and Definition Barriers

The fundamental impediment lies in the definition of "dwelling house" within LEP dictionaries across NSW, which excludes manufactured and modular homes from the definition of a "building":

dwelling house means a building containing only one dwelling.
building has the same meaning as in the Act.
Note— The term "building" excludes manufactured homes, moveable dwellings or associated structures.

This definitional anomaly effectively renders modular homes non-permissible in many zones, despite being identical in design and compliance to traditional dwellings once installed. Repeated representations to the Department of Planning, the Premier's Office, and

the Minister for Housing have not resulted in a solution, leaving hundreds of potential approvals across the State in limbo.

3.3 Misconceptions and Market Realities

The modular home sector in NSW is unfairly stigmatised as producing inferior or temporary housing. This is incorrect. Modern modular dwellings are:
- Fully compliant with the Building Code of Australia (BCA);
- Constructed by licensed builders under rigorous quality assurance;
- Subject to identical DA and DCP processes as conventional homes; and
- Inspected by councils prior to the issue of a Certificate of Completition.

Every other Australian jurisdiction recognises modular construction as a legitimate form of residential development. NSW must urgently align with this national standard.

4. Proposed Legislative and Regulatory Reforms

To resolve the current barriers and enable the modular housing industry to contribute effectively to the State's housing supply, the following measures are recommended:

4.1 Amend Definition in LEPs

The Department of Planning should immediately revise the Standard Instrument LEP to ensure that modular and manufactured homes are encompassed within the definition of "dwelling" or "building".

4.2 Construction Oversight and Certification

Require that:
1. A Construction Certificate be issued by a private certifier for every factory-built modular dwelling, including:
   - Critical stage inspections (frame, waterproofing, etc.);
   - Additional inspections for Bushfire Attack Level (BAL) or fire safety measures where applicable.
2. Onsite works remain subject to inspection under Section 68 of the Local Government Act 1993.
3. Modular homes continue to comply with BASIX and Home Building Compensation (warranty) insurance requirements.

These measures will provide an equivalent regulatory framework to traditional dwellings, ensuring quality and safety while removing unnecessary barriers.

5. Conclusion

Modular housing provides a vital and immediate opportunity to address the housing crisis, particularly in regional NSW where affordability and timely delivery are critical. However, without urgent legislative clarification and consistency across LEPs, this sector faces extinction in NSW.

Beyond modular housing, broader planning reform is required to address:
- Overly complex DCPs and local planning processes;
- Inconsistent application of the Planning Portal; and
- A regulatory culture that discourages rather than enables home ownership.

Local councils must act in the interests of their communities. The State Government must ensure that the planning system is transparent, fair, and supportive of innovative housing solutions. Progressive Project Solutions welcomes the opportunity to provide further information or to appear before the Committee to elaborate on the matters raised in this submission.

Yours sincerely,

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