**Submission No 79**

# INQUIRY INTO RURAL HOUSING AND SECOND DWELLINGS REFORM

**Organisation:** Better Planning Network

**Date Received:** 10 October 2025

Better Planning Network Inc.

October 9, 2025

To: Select Committee on Rural Housing and Second Dwellings Reform

**Re: Inquiry into rural housing and second dwellings reform**

Dear Select Committee,

Thank you for the opportunity to provide a submission to the above Inquiry.

The Better Planning Network (BPN) is the primary community-led planning lobby group in NSW, representing many volunteer groups with a common goal of maintaining community participation in town and landscape planning to protect the environment and heritage of NSW as well as the local amenity of neighbourhoods.

**Background**

BPN notes the NSW Government's commitments to the Housing Accord, which are driving many efforts to streamline or fast-track planning processes across NSW to enable the rapid construction of more housing. While the mooted changes to the EP&A Act, the Transport-Oriented and Low and Mid Rise Development processes are claimed primarily to increase affordable housing options in metropolitan areas, BPN recognises that options also exist in Rural and Regional NSW.

In an effort to relieve population pressures in metropolitan areas, BPN acknowledges the potential for increasing the proportion of NSW population in Regional and Rural areas. However, this can only be achieved with significant investment in fundamental infrastructure such as transport links, telecommunications, health services, water supplies and sewerage facilities in regions where these facilities are historically poor.

Rural areas in NSW are increasingly being used as sites for renewable energy generation, primarily to support electricity supply to urban centres. Projected impacts on environmental and rural amenity as a result have generated increasing concerns from rural communities, and a strong argument for increased investment from the Government to balance the advantage/disadvantage equation. BPN supports rapid transition to renewable energy generation in NSW, however this must be done in a way that minimises environmental and social impacts.

BPN believes that the intent of the proposed reform is to allow extended families and/or renters to co-habit in separate dwellings on rural properties, as a means of increasing housing supply. This effectively extends the Complying Development definitions in RU zones to include second buildings capable of permanent occupation. Current rural zoning in many instances allows for the construction of secondary buildings that may have an agricultural use, such as sheds, farm offices and farmstays.

These are generally permissible with consent, and are subject to all relevant environmental and heritage considerations. BPN does not support changes to CDC rules except in special circumstances (outlined below) where current or future expected risk of climate impact can be established. This places an onus on certifiers to educate themselves about the risks of future climate impacts.

It is not possible to articulate all possible permutations of risks or impacts of the proposed amendments across all of RU and C zones in NSW. For this reason power to develop and apply local development control rules and interpretation of zonings must rest primarily with local councils.

In any proposed amendment to these rules that affect all NSW rural and regional areas BPN believes a few principles should be considered:

- Current restrictions on dwellings in rural zones are guided by principles that ensure continued agricultural potential, rural landscape amenity and protection of the environment. Any amendment that erodes these principles should be discouraged.
- All criteria for the location of developments must take heed of impending projected changes in climate as outlined in the recently released National Climate Risk Assessment, and the NSW Government's own climate change adaptation policies.
- Projected sea level rise will bring more communities in regional areas in contact with risks associated with inundation.
- Regional towns have many similar land restrictions as metropolitan areas. Increased availability of rurally based dwellings may partially offset these limitations. Other potential avenues to improve housing availability include some increase in development in smaller towns and villages surrounding regional centres in consultation with councils. Local councils are best placed to investigate increased housing in small towns around regional centres.
- All lands have an intrinsic environmental value, regardless of current level of disturbance. This is especially so for rural lands which may contain significant areas of natural vegetation. Natural areas on these lands may be environmental corridors or potential corridors. Natural riparian vegetation is particularly important to protect as climate change corridors that cut across elevation contours.
- Edge effects exist at the rural/urban interface and agricultural/environmental interface. Setback rules exist to ensure minimal impacts on neighbouring land tenures and these should remain.
- Almost all of rural and regional NSW, particularly near farming areas, reserves and regional centres are bushfire prone and liable to be increasingly threatened by uncontrolled fires. No development in a rural or regional area should be allowed without due consideration of bushfire risk.

**Specific Terms of Reference**

*(a) planning instruments and development controls to facilitate the construction of second dwellings in rural zones in New South Wales, excluding Greater Sydney, with an emphasis on Outer Metropolitan Local Government Areas, and in particular the document entitled "State Environmental Planning Policy (Housing) Amendment (Second Dwellings in Rural Zones) 2025"*

General comment: BPN does not support any extension of complying development provisions within EPIs that result in, or increase the risk of, further environmental or heritage impact. At a time of increasing impacts from climate change related disasters and other impacts, the NSW Government should be developing planning instruments that provide greater protections from impending threats,

not placing the population into further prospect of direct or indirect harm. Certifiers, whether private or council, must be able to understand and articulate current and future impacts and risks from climate change and any harm that could be generated from any development.

*(b) potential amendments to the State Environmental Planning Policy (Housing) 2021 (Housing SEPP), the State Environmental Planning Policy (Exempt and Complying Development Codes) 2008 (Codes SEPP), and related instruments to enable flexible, streamlined, and liberalised approval pathways for second dwellings on rural-zoned land*

Complying developments in principle should be intrinsically low impact and fully compliant with all EPIs in place. There should by definition be minimal environmental, heritage, social and amenity impacts . We can't envisage a situation where every possible application for a second dwelling would meet these principles and therefore don't support the concept of increasing the lists of complying developments to include them. However there may be circumstances where second dwellings in rural lands are acceptable with consent of council. These include on large lot sizes where the current development density is low, where there is no significant impact on the environment or heritage, and where the broader regional infrastructure and facilities can support extra population. These are all considerations best undertaken by local councils.

*(c) the benefits and risks of permitting second dwellings on RU1–RU6, C3 and C4 zoned lands, including via complying development*

BPN does not support second dwellings or any extension of EPI rules to include extra complying developments in C3 and C4 zones. Their primary purpose relates to conservation and further housing development in these zones would be counter to this purpose. C zones may become increasingly important as climate change refuges in the future.

A benefit of increased population size or proportion in rural areas is that it can take the pressure off metropolitan lands where suitable housing expansion is limited. BPN supports investment in regional areas that provides for this increased population. Second dwellings on rural lots may be acceptable in certain circumstances but BPN does not support a change to the current list of complying developments in rural and conservation zones to enable this. Rural and regional lands encompass a wide variety of environments, landforms, vegetation types, and human activities, all mostly quite different to metropolitan areas. It would be almost impossible to have a 'one-size-fits-all' complying development type that allows second dwellings in all parts of NSW. This does not restrict councils from allowing second dwellings in certain lots, with consent. However a maximum cap must be placed on the number of dwellings permitted on one property to ensure secondary dwelling approval does not lead to the development of rural housing estates.

*(d) the suitable interaction between the Housing SEPP and/or Codes SEPP and provisions in Local Environmental Plans under section 3.28 of the Environmental Planning and Assessment Act 1979*

BPN does not agree with SEPPs overriding Local Environmental Plans.

*(e) the impact of removing restrictions on dwelling size, attachment, and internal lot distance and implications of enabling second dwellings to be larger than, or function as, the primary dwelling*

Dwellings and their surrounding disturbance (landscaping, access roads, electricity, communications, water and sewerage infrastructure etc.) have a physical size and impact that must be managed. A

second dwelling has the potential to double the current impact and thus the scale of the disturbance relative to the lot size must be considered. A secondary dwelling should not be larger than the existing dwelling.

Small lot sizes should not be considered for second dwellings where the environmental impact is likely to be excessive relative to the lot size. Larger lot sizes (eg. in RU1 and RU2 zones) may be able to accommodate second dwellings if they are located within the current disturbance area (ie. they use the same infrastructure and access roads). The size limit where a second dwelling is acceptable should be determined in consultation with local councils, but we suggest that the absolute minimum lot size where a second dwelling is potentially allowed should be approx. 40 ha (the common minimum lot size in RU1 and RU2 zones).

*(f) the role of elevation criteria and 1-in-100-year flood mapping in determining permissibility and the use of performance-based solutions for flood-prone lands (e.g., elevation certification), other land-based hazards and environmental impacts*

It is expected that historical 1-in-100-year flood mapping in many regions is already obsolete, as record flood events in Lismore and Cabonne Shire in 2022 attest. Similarly, sea level projections for coming decades indicate increasing risks of inundation of coastal landforms, some of which currently contain developments (urban, peri-urban and rural/agricultural) at increasing risk from sealevel rise. For these reasons the common DCP standard of floor levels to be 30cm above the 1-in-100-year flood elevation is likely to be inadequate for future developments.

The NSW Reconstruction Authority (RA) has carriage of the development of new regional Climate Adaptation Plans and has legislative powers to compel councils to modify DCPs in accordance with future disaster risk. At present, adaptation planning in NSW via the RA is underway but not complete. New flood risk mapping and flood management plans that recognise expected changes to climate are still needed across all of NSW. Until these new maps and plans are completed, no new housing development should be permissible within lands that are currently at risk unless considerable thought is given to the type of building and materials used. Resilient housing relies on changes in building standards which are still being developed.

Second dwellings may be permissible on larger rural land lots that are threatened by rising sealevels or higher flood heights to assist progressive retreat from sites at increased risk of inundation. In this special case, new dwelling sites can be distant from the current dwelling if the intent is to relocate to higher ground. These two dwellings can exist simultaneously for a period of transition until the original dwelling becomes uninhabitable. Given that this transition may take years to decades to eventuate, the second dwelling provides reassurance for occupants as well as a temporary income stream or extended family dwelling for the period of transition.

*(g) the interaction between second dwellings and potential impacts on rural activities and productive capacity of land for agriculture, including feasibility and implications of allowing second dwellings without subdivision*

Minimum lots sizes in RU zones are generally used to protect against loss of agricultural productivity and potential as well as protecting visual amenity and preventing over-development. To some extent the minimum lot size is dependent on soil and climate conditions and hence the reasonable density of agricultural activity that could conceivably be profitable and sustainable. A second dwelling is already possible in some RU zones in NSW, particularly if it is tied to the agricultural activity. Examples include worker accommodation and farmstays. These are generally designed for temporary occupancy, however it could be possible to allow these to be permissible as permanent dwellings.

*(h) the use of non-discretionary, zone-specific development standards and their interaction with merit based assessment in complying pathways and legal frameworks for tenancy in common, co-ownership, and strata-like arrangements on rural land*

BPN does not support separate titles for extra dwellings on rural land. This is effectively subdivision by an alternate route. This means for example that strata title is not acceptable for any second dwelling. Any new dwellings must remain on the original title and cannot be bought or sold separately to the original title. This restriction still allows for the second dwelling to be rented or occupied by extended family, as implied by the proposed amendments.

*(i) mechanisms to streamline the development application and Complying Development Certificate (CDC) processes*

For the reasons outlined above, BPN does not support second dwellings as Complying Developments in RU and C zones. However we recognise that in some instances second dwellings could be permissible with consent (outlined previously in this submission). A specific instance where a second dwelling may be permissible as a complying development is where the current home is at significant risk from current and future climate impacts. This would require a new category of development that recognises the risk and need for controlled retreat. Current dwellings would need to be assessed as 'at risk' by trained certifiers, or within designated areas (such as mapped floodplains) where current and future dwelling sites are located. Existing NSW Government post-disaster buy-back schemes have guidelines that could be used to help determine these criteria.

*(j) the adequacy of existing infrastructure (eg sewerage, access roads) for servicing second dwellings and potential impacts of reforms on housing affordability, multigenerational living, and rural population growth*

There is considerable potential for increasing the proportion of our population living in rural and regional areas. Changes to workplace norms such as working from home, increased use of internet technologies for work, leisure and commerce, and general availability of communications infrastructure enables more people to live and work from rural and remote locations. However water, sewer and transport infrastructure is generally poorer in rural compared to metropolitan areas, and significant investment must occur first before advocating for increased population growth in these regions.

*(k) transitional arrangements and monitoring of policy outcomes*

The Department must be responsible for monitoring of policy outcomes and compliance and the results made publicly available.

**Summary of Recommendations**

BPN acknowledges the potential for increasing the proportion of NSW population in Regional and Rural areas. However, this can only be achieved with significant investment in fundamental infrastructure such as transport links, telecommunications, health services, water supplies and sewerage facilities in regions where these facilities are historically poor.

Rural lands of sufficient size could be utilised for this purpose. However most of the restrictions on these lands that limit the list of complying developments will still exist regardless of housing need. For

these reasons BPN is not in favour of increasing the list of complying developments in Rural and Conservation zones to include second dwellings.

BPN does not support separate titles for any second dwellings designated under this proposal.

BPN does not support any amendments that allow further development in C3 and C4 zones.

Better Planning Network Inc.Committee