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## **Media Release**

# **New South Wales can be ‘The Housing State’**

32 new recommendations that could boost the NSW Government’s efforts to address the housing crisis have been detailed by the NSW Productivity and Equality Commissioner, Peter Achterstraat AM.

In June, the Premier tasked the Commissioner to undertake a rapid review into housing construction and recommend ways to increasing housing completions as we work towards building 377,000 new homes by July 2029.

The Commission found the cost of building homes has soared since 2018 and that residential construction has been hit by national challenges including higher interest rates and a shortage of skilled trades. Housing projects in many areas currently do not stack up.

Despite the homebuilding slump, the Commission found the construction sector is at capacity, with Australia’s huge infrastructure pipeline outcompeting home builders for labour and materials.

As difficult as conditions are, the Commission found there is plenty NSW can do to build more homes quickly, now and in the future:

### **1. Free up construction capacity to build more homes quickly**

- reprioritise infrastructure spending to the essentials that support new homes
- clear barriers to density in the most feasible locations: northern and eastern suburbs close to Sydney’s CBD
- Avoid policies that stimulate demand while supply is constrained - prioritise support to those in housing stress

### **2. Streamline the development process**

- legislate concierge and clearinghouse powers to clear development bottlenecks ,especially where building approvals have been given but subject to hundreds of conditions.
- allow and fast-track extra floors on already-approved apartment projects
- implement pro-housing regulations that say ‘yes’ to new homes and construction

### **3. Help the construction sector deliver**

- boost the intake of migrants with construction skills and help them put their skills to work
- modernise trades training to attract experienced workers, women, and young people
- remove regulatory barriers to prefabrication and modern construction methods

### **4. Ensure a diverse and equitable supply of homes**

- lift and sustain investment in social housing for the most disadvantaged

- link housing diversity requirements (like three-bedroom apartments) to height or other bonuses
- revise parking and size requirements that prevent modest apartments being built

The Commission rejected growing calls to waive the payment of infrastructure contributions. This was tried during the Global Financial Crisis and it raised land prices without delivering more homes. Contributions are a highly efficient way to fund the infrastructure that gives new housing its value.

The Commission instead recommended allowing payment of infrastructure contributions later in the building process. Shifting contributions to the Occupation Certificate stage can make building easier.

**NSW Productivity and Equality Commissioner Peter Achterstraat AM said:**

“We need to build a new home every seven minutes. It’s a huge aspiration but the right one, and every extra home counts.”

“We beat a housing shortage after World War II with modest but quality homes supported by essential infrastructure. We can do that again.”

“As difficult as conditions are right now, there’s plenty we can do to build more now and in the future.”

“Saying ‘no’ to building has cost young families dearly, both financially and personally.”

“Unfortunately, food, kids’ sport, power, and medical needs get trimmed to cover high mortgage payments and rent.”

“This report sets out 32 practical recommendations which build on existing efforts as governments of all levels, the construction sector, and the wider community consider what’s next.”

- [Review of housing supply challenges and policy options for New South Wales](#)

Prior to being tasked with this Review the NSW Productivity and Equality Commission published three papers on housing:

- [Building more homes where people want to live | Productivity and Equality Commission](#)
- [Building more homes where infrastructure costs less | Productivity and Equality Commission](#)
- [What we gain by building more homes in the right places | Productivity and Equality Commission](#)

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