

NSW Government Response

NSW Legislative Council Select Committee
on Rural Housing and Second Dwellings

June 2026



Acknowledgement of Country

The Department of Planning, Housing and Infrastructure acknowledges that it stands on Aboriginal land. We acknowledge the Traditional Custodians of the land, and we show our respect for Elders past, present and emerging through thoughtful and collaborative approaches to our work, seeking to demonstrate our ongoing commitment to providing places in which Aboriginal people are included socially, culturally and economically.

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Contents

- 1 Introduction..... 1
- 2 Responses to recommendations 2
 - 2.1 Recommendation 1..... 2
 - 2.2 Recommendation 2 2
 - 2.3 Recommendation 3..... 3
 - 2.4 Recommendation 4..... 4
 - 2.5 Recommendation 5..... 4
 - 2.6 Recommendation 6..... 4

1 Introduction

The NSW Government recognises secondary dwellings and dual occupancies as important housing types that can support intergenerational living and provide more housing choice to help address the current challenges in housing markets.

The NSW Government has reviewed the recommendations in the NSW Legislative Council's Select Committee on Rural Housing and Second Dwellings Reform Report No. 1 and acknowledges the Committee for its work. Of the 6 recommendations proposed in the report the NSW Government indicates:

- 3 are supported in principle;
- 2 are noted; and
- 1 is not supported.

The recommendations propose reforms to facilitate the construction of 'second' dwellings in rural and conservation zones (excluding Greater Sydney), as well as supporting recommendations, such as infrastructure provision and monitoring.

The NSW Government's response to each recommendation is below.

2 Responses to recommendations

2.1 Recommendation 1

That the NSW Government consider amending the State Environmental Planning Policy (Housing) 2021 (Housing SEPP), the State Environmental Planning Policy (Exempt and Complying Development Codes) 2008 (Codes SEPP), the Standard Instrument (Local Environmental Plans) Order 2006, and any other necessary planning instruments and legislation, to liberalise the construction of second dwellings on rural and conservation zoned land by:

- *permitting secondary dwellings and dual occupancies as complying development on land zones R5, RU1, RU2, RU4-RU6, and considering permitting them in zones C3 and C4 without requiring subdivision*
- *considering removing all requirements for any second dwelling to be attached to the principal dwelling*
- *considering removing or increasing size limits, allowing secondary dwellings and dual occupancies to be equal to or larger than the principal dwelling, and function as the principal dwelling*
- *allowing changes to set back and distance restrictions for secondary dwellings and dual occupancies*
- *considering allowing councils to permit secondary dwellings and detached dual occupancies on properties above a specified elevation, and outside 1-in-100-year flood zones*
- *considering permitting outbuildings and ancillary developments (such as sheds, swimming pools and carports) as complying development even when there is more than one dwelling located on the property.*

NSW Government response:

Supported in principle.

The NSW Government agrees in principle with supporting additional housing opportunities in appropriate rural locations where there is demonstrated demand and where development can occur without creating unintended land use conflicts, adverse environmental impacts, or infrastructure consequences.

The NSW Government will consider targeted changes to planning frameworks for secondary dwellings in rural areas, while recognising that a blanket approach to permissibility across all rural and conservation zones is unlikely to be appropriate given the substantial variation in environmental, hazard, access, and servicing conditions across these zones in NSW.

Further detailed work is required to determine whether a streamlined approval pathway (such as complying development) could apply, the locations where it could apply, and what development standards would be appropriate. The NSW Government will also consider options to increase the size of secondary dwellings or make other targeted adjustments to controls, where this can be achieved without undermining the objectives of rural and conservation zones, local amenity, environmental outcomes, or infrastructure constraints.

2.2 Recommendation 2

That the NSW Government publish and provide a toolkit to local councils to amend their Local Environmental Plans (LEP) to permit secondary dwellings in more zones subject to local strategic planning. This could include model LEP clauses and template.

NSW Government response:

Supported in principle.

The NSW Government agrees in principle with providing support to councils to undertake strategic planning to enable additional housing opportunities in more zones.

The NSW Government notes that the NSW planning framework already enables locally appropriate controls for secondary dwellings, including model LEP clauses for secondary dwellings in clause 5.4 and 5.5 of the Standard Instrument – Principal Local Environmental Plan (2006).

The NSW Government will consider how further guidance, including model provisions or templates, could support councils in making informed decisions about the permissibility and regulation of secondary dwellings, while maintaining consistency with strategic planning objectives and environmental, infrastructure and servicing constraints.

2.3 Recommendation 3

That the NSW Government consider, with a view to amending, section 77 of the Local Government (Manufactured Home Estates, Caravan Parks, Camping Grounds and Moveable Dwellings) Regulation 2021, so that a moveable dwelling or associated structure on land used to accommodate a person experiencing homelessness applies under the exemptions.

NSW Government response:

Noted.

The NSW Government notes this recommendation and will continue supporting individuals experiencing homelessness through initiatives such as the:

- NSW Homelessness Strategy 2025–2035, a whole-of-government, 10-year strategy led by Homes NSW
- Specialist Homelessness Services Program, with services provided to people who are homeless or at risk
- Together Home Program, which provides long-term housing with wrap-around supports for people sleeping rough, including people with complex needs.

The planning system already has provisions to support individuals experiencing homelessness, including:

- streamlined exempt and complying development pathways for temporary housing that involves repurposing of existing accommodation by a relevant authority or social housing provider.
- a development without consent pathway for caravan parks or camping grounds to accommodate individuals displaced because of a natural disaster.

The NSW Government will further examine potential reforms to the local government approvals exemptions for moveable dwellings, including how effective they could be in practice and whether they would create unintended health, safety, environmental, or enforcement issues.

2.4 Recommendation 4

That, upon the enactment of any proposed rural housing reforms, the NSW Government grant amnesty to those who currently have existing unauthorised structures and dwellings on their land if they would be permissible under any new planning controls.

NSW Government response:

Noted.

The NSW Government notes this recommendation. Building information certificates are the established pathway under the current system for those seeking formal confirmation that existing building work, carried out without approval, will not be subject to regulatory action. The NSW Government will consider the implications for existing unauthorised structures that may be compliant under any new planning controls.

2.5 Recommendation 5

That the NSW Government review the demand on infrastructure and services in rural areas two to three years after the proposed reforms have been enacted.

If the demand on infrastructure and services has increased significantly as a result of second dwelling reform, the NSW Government should explore options to assist local councils in strengthening their infrastructure and services to manage the increase in demand. Reforms could include the development of an additional rate mechanism on properties with in-use second dwellings to address the impact on local road infrastructure.

NSW Government response:

Not supported.

The NSW Government does not support this recommendation. Infrastructure delivery in regional and rural areas is already supported through planning mechanisms, such as through Development Contributions and through NSW Government funding programs such as the Low Cost Loans Initiative to help deliver local infrastructure.

Councils are responsible for updating local contribution plans and infrastructure strategies to respond to growth. The NSW Government will continue to support regional infrastructure delivery through existing mechanisms and programs.

2.6 Recommendation 6

That the NSW Government require local councils to conduct an audit of all roads under their control and report on their existing condition.

NSW Government response:

Supported in principle.

The NSW Government agrees in principle that appropriate road access is a key consideration for housing development in rural and conservation areas, particularly for safety, servicing and emergency response.

Responsibility for assessing rural road condition and prioritising upgrades rests with councils as the road authority in most instances. The NSW Government is not proposing a State-led audit or dedicated funding program as part of this recommendation, and will continue to support councils through existing road infrastructure frameworks and funding mechanisms.

Department of Planning, Housing and Infrastructure

Locked Bag 5022
Parramatta NSW 2124
W: dphi.nsw.gov.au



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