

MEDIA RELEASE

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Now is not the time to tinker with LMR reforms

The middle of a housing supply crisis is not the time to be changing reforms designed to address it, according to Acting Urban Taskforce Australia CEO, Paul Waterhouse.

The NSW Opposition's misguided policy, announced today by Leader Kellie Sloane, to allow councils to propose alternatives to LMR zoning may be well meaning, but it opens the door for anti-development councils to resist and obstruct new housing even more vehemently than they currently do.

The Low- and Mid-Rise Housing reforms (LMR) were designed to open up housing opportunities by allowing more diverse residential development close to town centres and transport hubs.

Some councils have embraced it and sought to increase housing availability and affordability within their own precincts. Others have openly and vocally opposed it.

It is not the former who will be taking advantage of the Opposition's policy – it will be Nimby councils cynically using this pathway to continue to delay, obstruct, and subvert housing development within their LGAs.

We have already seen councils seek to submit "alternative" plans, which will not deliver the housing needed, or introduce development control plans (DCP) that – in their own words – seek *"to minimise the impact of the recently introduced low and mid-rise housing reforms"*, giving applicants *"limited incentive for redevelopment"*, and thus rendering housing supply policies unworkable

In other words, deliberately seeking to obstruct the rollout of LMR.

This policy risks emboldening such oppositional behaviour.

So, for every Bondi Junction Vision or Burwood Rezoning that increases housing supply and connectivity, we're likely to see three times as many Mosman Masterplans and Woollahra DCPs that seek to undermine new housing development altogether.

While the Opposition's policy argues that plans must propose the same number of, or more, new houses as the current LMR zoning, it is very easy for councils to rezone properties that they know will be too impractical, too expensive, or even impossible to redevelop.

Councils have always had the power to rezone for more housing. Most of them chose not to use it, preferring instead to limit growth and to prevent new housing opportunities.

Development controls such as heritage restrictions, setback controls, and view protection have frequently been used by councils to block or deter applications, while claiming that they are “*balanc[ing] housing delivery with landscape, amenity, and urban design objectives.*”

At the same time, a variety of taxes, fees, and charges to pay for local infrastructure, “affordable” housing, or public art is driving feasibility into the ground and making many projects unviable.

It is a double-whammy – restrict what can be done and then pump up the council levies, so that building anything ceases to be practical or feasible.

The LMR is supposed to increase housing supply and diversity, to improve affordability and support opportunities to deliver new dwellings in areas that can support them. If the Opposition thinks the current policy is underperforming, it won’t be improved by allowing councils to subvert it further.

Councils that have expressed opposition to LMR to date have not done so because they believe that a “locally-tailored” plan will deliver more housing. They oppose it because a small, but vocal, cohort of their ratepayers don’t want development – claiming to be happy for new housing, just not near them.

Indeed, some of the councils with the lowest targets under the National Housing Accord are amongst the most vocal against the LMR policy.

Further, the councils that consistently deliver the worst results against these Accord targets on an approvals basis are the same ones that will take the opportunity to challenge LMR and propose an alternative plan.

It’s the planning version of allowing a child who doesn’t want their brussels sprouts to argue why cake is a better option.

The Opposition policy risks exacerbating conflict between councils and the Department, by making the latter responsible for enforcement. This sets departmental staff and council employees on a possible collision course or alternatively opens up the risk that plans could be waived through to avoid political blowback.

LMR development projects have actively contributed new market and affordable housing to local communities, particularly through the Infill Affordable Housing Bonus Scheme, which has delivered thousands of new and potential affordable rental properties to the market.

This is significantly more than has been achieved by any council, but it will be lost if councils can just put forward their own plans, given their antipathy towards infill affordable housing.

Could the LMR policy deliver faster? Sure. But that won’t be achieved by letting councils rewrite the rules.

Over recent years, the Opposition has committed to a number of reforms that have, and will, helped address the housing supply crisis, and is to be commended for its bipartisan approach.

This is welcomed, and Urban Taskforce supports any efforts that will improve the delivery of housing supply.

This policy does not hit the mark.

New South Wales needs more housing where people want to live, not less. We are already significantly behind our National Housing Accord target and are falling further and further away from it, as the housing supply crisis grows ever larger.

Now is not the time to be tinkering with LMR.

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*The comments and analysis above can be attributed to **Paul Waterhouse**, Acting CEO, Urban Taskforce.*

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