Advocating for the people of Western Sydney

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Senate Finance and Public Administration Committees 18 September 2026

PO Box 6100

Parliament House

Canberra ACT 2600

Re: Submission to the Senate Finance and Public Administration Legislation Committee
Commonwealth Land (Affordable Housing) Bill 2026

Dear Chair,

The Western Sydney Regional Organisation of Councils (WSROC) welcomes the opportunity to provide a response to the proposed Commonwealth Land (Affordable Housing) Bill 2026.

WSROC represents councils across Greater Western Sydney. Established in 1973, WSROC works with its member councils to advocate for the interests of Western Sydney communities and to support better regional outcomes through policy analysis, collaboration and advocacy.

Some of our member councils, and councils participating in relevant WSROC programs, will make their own submissions. This document should be viewed in addition to, and complementary to, those submissions.

Western Sydney

Western Sydney is one of Australia's fastest-growing urban regions and is home to more than one in ten Australians. The scale of growth underway makes it particularly important that new housing is delivered in the right locations and supported by the infrastructure, services and environmental performance needed for liveable communities.

The region also illustrates why housing supply cannot be considered in isolation from place. Western Sydney encompasses established centres, rapidly growing greenfield areas and communities experiencing significant pressures associated with transport costs, infrastructure provision, extreme heat and natural hazards. Housing policy must therefore consider not only

how many homes are delivered, but where they are located, how they perform and whether residents can afford to live in them over the long term.

Housing supply and affordability are among the greatest challenges facing Western Sydney communities and councils. WSROC has a long-standing interest in housing policy, including social and affordable housing supply, housing diversity, planning and development, housing quality and climate resilience. This work reflects WSROC's view that housing affordability extends beyond the purchase price or rent of a dwelling to include ongoing costs such as energy, transport and insurance, as well as access to employment and essential services.

Affordable Housing Taskforce

WSROC works closely with Western Sydney University through the Western Sydney Affordable Housing Taskforce, established through a Memorandum of Understanding between WSROC and the University's Urban Transformations Research Centre.

The Taskforce provides a regional platform for collaboration between Western Sydney councils and research expertise on housing affordability and supply, planning reform, modern methods of construction, climate resilience and place-based housing solutions.

This partnership has informed WSROC's consideration of the Commonwealth Land (Affordable Housing) Bill 2026 and the opportunities it presents to improve the use of public land for housing.

WSROC's position

WSROC strongly supports the policy intent of the Commonwealth Land (Affordable Housing) Bill 2026.

Public land is a strategic public asset. Where suitable Commonwealth land is no longer required for its existing purpose and is made available for residential development, its disposal should deliver a lasting public benefit, including the provision of social and affordable housing.

The Bill provides an important opportunity to establish a consistent national approach to securing an affordable housing contribution from suitable Commonwealth land.

WSROC supports the Bill in principle and recommends that it be strengthened to ensure that affordable housing is delivered in appropriate locations, remains affordable over the long term, is supported by necessary infrastructure and provides genuine benefits to communities.

1. **Establish 30 per cent as a statutory minimum for suitable Commonwealth land**

   WSROC supports the Bill's proposed 30 per cent affordable housing requirement and recommends that 30 per cent be established as the statutory minimum for suitable Commonwealth land, rather than a default proportion that can be reduced generally by regulation.

   Where exceptional site-specific circumstances justify a departure from that minimum, any reduction should be subject to transparent statutory criteria and evidence-based assessment of development capacity and feasibility, with reasons made publicly available.

   A clear statutory requirement provides greater certainty than relying on individual negotiations and ensures that the public benefit associated with Commonwealth land is not dependent on the circumstances of each disposal.

   However, the framework should recognise genuine site-specific constraints. Any reduction in the affordable housing requirement should be based on transparent, evidence-based assessment of development capacity and feasibility, with appropriate justification made publicly available.

   WSROC recommends reconsideration of the blanket one-hectare exemption in clause 24. Land area alone is not an appropriate proxy for housing potential, particularly in established centres and well-serviced locations capable of supporting higher-density development. Site eligibility should instead take account of likely development capacity, planning controls, infrastructure, hazards, servicing and location.

2. **Affordable housing should remain affordable over the long term**

   The public benefit associated with Commonwealth land should not be lost once the initial development or affordability period ends.

   WSROC supports mechanisms that ensure affordable housing delivered through the disposal of Commonwealth land remains affordable for the longest legally achievable period, with a preference for arrangements that maintain affordability in perpetuity.

   The housing mix should respond to demonstrated local need, including through a meaningful contribution to social and deeply affordable housing where significant unmet need is identified.

3. Local government must be involved early in decisions about Commonwealth land

The Bill currently establishes no formal role for affected local governments in determining whether Commonwealth land is suitable for residential development or in identifying the infrastructure and servicing implications of its development. WSROC recommends that early consultation with affected councils be built into the pre-disposal process.

Local councils have detailed knowledge of local planning controls, infrastructure capacity, development pipelines, service gaps, hazards, housing needs and community priorities.

Local government input should help inform:

- whether land is suitable for residential development
- the likely development capacity and appropriate housing mix
- infrastructure and servicing requirements
- access to transport, employment and essential services
- local housing needs, and
- opportunities to achieve broader community benefits.

This engagement should occur early enough to influence the proposed development and disposal model, rather than after key decisions have already been made.

Early local government involvement must not, however, transfer Commonwealth responsibilities or infrastructure obligations to councils.

4. Affordable housing must be affordable to live in

WSROC supports the Bill's rent affordability test in clause 14. However, rent affordability alone does not determine whether a home is affordable to live in. A dwelling with an affordable rent may still be unaffordable if it is expensive to heat and cool, poorly served by public transport or distant from employment, education, health and other essential services.

This is particularly important in Western Sydney, where extreme heat can increase household energy costs and affect health, comfort and liveability, while long travel distances can substantially increase household transport costs.

In implementing clauses 24 to 28, residential suitability should therefore encompass not only whether housing can physically or legally be constructed, but whether the location can support safe, liveable and genuinely affordable housing over the long term.

Commonwealth land proposed for residential development should be assessed having regard to:

- access to public transport, employment and services
- energy efficiency and household running costs
- thermal performance and indoor comfort
- climate resilience and natural hazard risk
- accessibility and housing diversity
- whole-of-life housing costs.

5. Housing delivery must be coordinated with infrastructure

Housing development should be supported by the infrastructure and services needed for communities to thrive.

Before significant Commonwealth land is released for residential development, the Commonwealth should work with relevant state and local governments to identify infrastructure capacity, servicing requirements, funding responsibilities and delivery sequencing.

Where Commonwealth land enables substantial new housing, the Commonwealth should contribute fairly to the infrastructure required to support that growth.

Affordable housing obligations should not be reduced simply because supporting infrastructure has not yet been funded or delivered.

This is consistent with WSROC's broader position that housing growth must be coordinated with infrastructure delivery to avoid shifting costs onto residents, councils and other levels of government.

6. The framework should include clear delivery and accountability requirements

The Bill should ensure that affordable housing commitments result in actual housing delivery within a reasonable and transparent timeframe.

Commonwealth land disposals should therefore include clear expectations around development commencement, construction and completion, with appropriate mechanisms to address prolonged non-delivery.

WSROC welcomes the statutory review required by clause 31, but considers that a five-year review should be supported by regular public reporting from commencement of the scheme. Reporting should include:

- Commonwealth land subject to the scheme
- expected and delivered housing
- the affordable housing component and housing mix
- the duration of affordability obligations
- significant exemptions or variations, and
- progress against delivery commitments.

Regular reporting would provide greater confidence that the public benefit intended by the Bill is being achieved.

Conclusion

WSROC strongly supports the policy intent of the Commonwealth Land (Affordable Housing) Bill 2026. The Commonwealth has an important opportunity to ensure that surplus public land contributes to the long-term supply of social and affordable housing.

WSROC puts forward the following recommendations to strengthen the Bill:

- **Recommendation 1:** Establish 30 per cent as the statutory minimum and assess site eligibility by development capacity rather than land area alone.
- **Recommendation 2:** Protect affordability for the longest legally achievable period and ensure housing mix responds to local need.
- **Recommendation 3:** Require early and meaningful consultation with affected local governments before disposal decisions are finalised.
- **Recommendation 4:** Assess affordability and site suitability on a whole-of-life basis, including transport, energy, climate resilience and access to services.
- **Recommendation 5:** Coordinate Commonwealth land development with infrastructure funding, servicing and delivery.

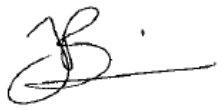
- **Recommendation 6:** Establish clear delivery milestones and regular transparent reporting on housing outcomes.

Western Sydney demonstrates why housing supply, affordability, infrastructure and liveability must be considered together. The scale and pace of growth across the region mean that decisions made now about the location, quality and supporting infrastructure of new housing will shape communities for decades to come.

Through its member councils and its partnership with Western Sydney University through the Western Sydney Affordable Housing Taskforce, WSROC can bring local government experience and regional evidence to the implementation of the proposed framework.

WSROC supports the Bill in principle and encourages the Committee to recommend its progression with targeted amendments that ensure Commonwealth land delivers enduring affordable housing in locations where people can access jobs, transport and services, where infrastructure keeps pace with growth, and where homes are resilient and affordable to live in over the long term.

Yours sincerely,



Francine Binns

Chief Executive Officer

Western Sydney Regional Organisation of Councils