



SUBMISSION TO THE PRODUCTIVITY COMMISSION

Inquiry into Housing Supply Regulation

Residential Land Lease Communities: Removing Regulatory Barriers to Housing Supply

Submitted by:

Caravan Industry Association of Australia

National peak body representing caravan and residential park operators and developers across Australia

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15 June 2026

Submitted to: Productivity Commission Online Portal

Victorian data draws on policy analysis developed by Caravan & Residential Parks Victoria (CRPVic), as set out in its April 2026 policy statement Accelerating Affordable Housing: The Residential Land Lease Solution. NSW regulatory and policy material draws on the sustained advocacy of the Caravan, Camping and Touring Industry and Manufactured Housing Industry Association of New South Wales.

About Caravan Industry Association of Australia

Caravan Industry Association of Australia (CIAA) is the national peak body for the caravan, camping, and residential park industry. CIAA works through a network of state and territory associations whose stakeholders operate caravan parks and residential land lease communities (RLLCs) across Australia.

CIAA represents a sector that contributes significantly to Australian housing supply, tourism infrastructure, and regional economies. Residential land lease communities form a growing and increasingly critical part of that contribution, addressing the housing needs of active retirees who seek affordable, independent, community-oriented living.

The Residential Land Lease Alliance (RLLA) is Australia's peak advocacy forum for Residential Land Lease Communities. The RLLA is a sub-committee of the Caravan Industry Association of Australia. The Alliance's vision – through our national Caravan Industry association - is to make housing more affordable - and more obtainable - for more Australians.

Our state and territory affiliates work directly with their respective state governments on housing policy. Their experience and evidence inform this submission. This submission draws on documented policy analysis from Caravan & Residential Parks Victoria (CRPVic) and from the Caravan, Camping and Touring Industry and Manufactured Housing Industry Association of New South Wales, which has sustained a decade-long advocacy program for planning reform in NSW. Both affiliates have provided quantitative data and regulatory analysis used throughout.



Executive Summary

Residential land lease communities (RLLCs) represent a \$12 billion national housing asset class with more than 130,000 Australians currently living in them. Factory-built and modular homes can reach occupation significantly faster than conventional construction, delivering homes at prices below comparable house and land packages and creating a supply multiplier by freeing up existing family homes when active retirees downsize.

Despite this, regulatory barriers prevent the sector from contributing to housing supply at the scale Australia needs. Fragmented planning definitions, inconsistent zoning treatment across and within jurisdictions, and approval timelines that vary widely between states mean that investment does not flow to its most productive use.

The Productivity Commission's inquiry offers the opportunity to identify these barriers systematically and recommend reforms that apply nationally. Our submission addresses all seven of the Commission's information requests and sets out nine specific recommendations.

In summary, we ask the Commission to recommend that state and territory governments:

- Adopt a consistent national definition of Residential Land Lease Community in planning systems.
- Create dedicated, time-limited (60-day) deemed-to-comply approval pathways for RLLC developments that meet published performance-based standards.
- Increase and standardise permissible use designations for RLLCs across LGAs to expand available land for development.
- Count RLLC homes formally in National Housing Accord reporting and targets.
- Make RLLC developments eligible for the \$2 billion Local Infrastructure Fund and equivalent federal programs.
- Accommodate modular, manufactured, and on-site construction methods in all planning and building frameworks, including greenfield developments.
- Make surplus Commonwealth and state government land available for RLLC development in peri-urban and regional areas.
- Reform developer contribution and rating frameworks to reflect the self-funded internal infrastructure model of RLLCs.
- Include RLLCs in state and federal social housing programs and mixed-tenure housing projects.
- Train planning staff in RLLC-specific assessment.
- Establish a national government-industry working group to coordinate reform implementation.

The Residential Land Lease Community Sector

Scale and Market Position

RLLCs have grown into one of Australia's fastest-growing housing asset classes, underpinned by long-term demographic demand. The sector represents a \$12 billion national market. More than 130,000 Australians currently live in land lease communities. The Property Council of Australia describes the sector as having "matured into a sophisticated and rapidly expanding sector with strong momentum." CBRE and Colliers both identify RLLCs as one of the fastest-growing housing solutions nationwide, attracting domestic and global capital.

The sector sits between conventional homeownership and traditional retirement villages. It targets active retirees aged 50 and over who want to downsize, retain their independence, and stay connected to their local community. The average age of entry into an RLLC is 65 to 70 years. This transition supports ageing in place over a longer period and at lower cost to the health and social support system.

Beyond the dwelling itself, RLLCs provide residents with access to shared recreational and social infrastructure, including swimming pools, sporting facilities, community buildings, landscaped open spaces and organised activities. These facilities may provide access to amenities that would otherwise be costly or impractical for residents to obtain individually. Resident committees and on-site events also support social connection, participation and informal support among residents, helping to reduce social isolation and strengthen the capacity of people aged 50 and over to age in place

Why RLLCs Deliver Affordable Housing

The land lease model separates home ownership from land ownership. Residents own their home outright and lease the site. This structure removes the largest cost components of conventional homeownership:

- No stamp duty on land acquisition.
- No land tax.
- No council rates payable by the resident.
- No entry or exit fees in jurisdictions with dedicated homeowner protection legislation.
- Transparent, regulated site fee structures under dedicated state legislation.
- Lower entry price because residents pay only for the dwelling, not the land.

These savings make RLLCs accessible to Australians who cannot afford conventional downsizing options but do not qualify for social housing. The model serves a genuine gap in the housing continuum across every state and territory.

Construction speed reinforces the affordability advantage. RLLC homes use modular, factory-built, manufactured, and on-site construction methods, including greenfield developments built on site. Factory-built homes can reach occupation significantly faster than conventional construction. This speed-to-market is a significant lever for addressing housing shortfalls, but it is constrained by regulatory systems not designed for modern construction methods.

The Multiplier Effect on Housing Supply

Each time an older Australian moves from a family home into an RLLC, they release that home into the broader market. Those homes become available to younger families, first-

home buyers, or for subdivision and redevelopment. This multiplier means the RLLC sector contributes more to total housing supply than the number of new RLLC homes alone suggests.

CASE STUDY | Victoria: The Multiplier Effect at Scale

Research by CRPvic estimates that developing 183,585 RLLC homes to meet Victoria's projected demand to 2051 would release an equivalent number of existing family homes into the market, increasing total housing supply by more than 367,170 homes.

Under the current regulatory status quo, only 32,400 RLLC homes could be built in Victoria by 2051, a shortfall of 45,149 homes, representing less than 20 percent of unconstrained demographic demand. The multiplier effect of the missing homes is lost entirely.

The same pattern applies nationally. The gap between what the sector can deliver with reform and what it delivers without it is not marginal. It is structural.

The Regulatory Gap: Interstate Disparities

The sector does not perform equally across jurisdictions. Industry stakeholders report they are not demand-constrained or capital-constrained. They are opportunity-constrained by regulatory barriers, primarily outdated planning frameworks that predate the sector's maturity.

Jurisdictions with dedicated RLLC legislative frameworks deliver significantly more homes. Jurisdictions without them deliver significantly fewer. The barrier to investment is the planning system, not the market.

CASE STUDY | Victoria vs New South Wales and Queensland: Market Penetration

As of December 2024, Victoria had approximately half the RLLC market penetration rate of New South Wales and one third that of Queensland.

Victoria recorded approximately 10,000 occupied RLLC homes. New South Wales had approximately 25,000. Queensland had approximately 40,000.

Homes in development or pipeline: Victoria approximately 5,000; New South Wales approximately 20,000; Queensland approximately 8,000.

Land lease community developers invest less in Victoria than in New South Wales and Queensland. The primary reason, documented by CRPvic and confirmed by Colliers, is the approval process. Assessment and determination in Victoria takes nearly double the time of New South Wales and Queensland.

“Outdated planning definitions, inconsistent treatment, and lengthy approval pathways, not demand or capital, remain the binding constraints.” — Colliers

Information Request 1: Priority Regulatory Reforms

Which regulatory reforms should governments prioritise to get more homes built more quickly?

We identify five priority reforms that would have the greatest effect on RLLC housing supply nationally.

Reform 1: Establish a consistent national definition of RLLC in all planning systems

RLLCs have no dedicated land use category in most Australian planning schemes. Each planning authority treats applications differently depending on local interpretation and available zone categories. This creates unpredictability, extends timelines, and deters investment. A developer cannot reliably predict whether a proposal will be treated as residential, caravan park, manufactured home estate, tourist accommodation, or something else entirely. Some developers opt instead for seniors living or multi-dwelling pathways, reducing the diversity of housing options the sector can deliver.

A nationally consistent definition, incorporated by each state and territory into its planning framework, would create a clear starting point for all RLLC applications. Queensland's Manufactured Homes (Residential Parks) Act and NSW's recognised categories of 'manufactured home estate' and 'caravan park' demonstrate that established land use classifications work. Both states deliver significantly more RLLC homes than jurisdictions without them.

CASE STUDY | Victoria: The Cost of No Definition

In Victoria, the absence of a dedicated RLLC planning category means planners treat each application as novel. Developers report that applications for identical developments can receive different procedural treatment across adjacent local government areas.

Government departments regularly confuse RLLCs with retirement villages, triggering different assessment frameworks and referral pathways. This departmental deflection, where agencies hand off matters to other agencies due to unfamiliarity with the model, adds months to approval timelines.

Reform 2: Create dedicated 60-day deemed-to-comply approval pathways

The absence of a dedicated approval pathway for RLLC developments is the single largest regulatory barrier to sector growth. When no clear pathway exists, each application is assessed as novel. Planners determine applicable requirements from scratch, refer to multiple agencies, and manage extended consultation. This adds months to timelines and significant holding costs.

A 60-day deemed-to-comply framework would automatically approve RLLC applications that meet published performance-based standards. The same principle of streamlined approval against defined criteria should apply to RLLCs in every jurisdiction.

Reform 3: Count RLLC homes in National Housing Accord reporting and targets

RLLC homes are homes. Australians live in them. They should count toward the National Housing Accord target of 1.2 million new homes. In several jurisdictions they currently do not feature in Housing Accord reporting. This removes the incentive for state governments to facilitate RLLC development and produces an inaccurate picture of housing supply progress.

Reform 4: Make RLLCs eligible for the \$2 billion Local Infrastructure Fund

RLLC developments require the same external infrastructure as conventional residential developments: road connections, utility main extensions, and sometimes stormwater works. The Federal Government's Local Infrastructure Fund targets exactly this type of housing-ready infrastructure. Making RLLC developments explicitly eligible would unlock private capital by reducing infrastructure cost burdens in greenfield and regional locations.

Reform 5: Accommodate modular and manufactured construction in all planning and building frameworks

RLLC homes use modular, factory-built, manufactured, and on-site construction methods. Planning and building approval frameworks across Australia were designed for traditional on-site bricks-and-mortar construction. They are not suited to modern methods of construction, creating unnecessary barriers at every stage of the certification and approval process for factory-built homes and new greenfield developments alike.

The PC should recommend that all state and territory planning and building frameworks explicitly accommodate both factory-built and on-site construction methods for RLLC developments, and accept factory certification as sufficient for building permit purposes.

CASE STUDY | Victoria: Manufacturing Capacity Ready to Scale

Victoria has 16 modular and manufactured home manufacturers, eight of which operate in regional areas including Bendigo, Swan Hill, Wonthaggi, Shepparton, and Cobram.

Their combined annual construction and manufacturing capacity exceeds 16,500 homes per year.

This capacity exists now. Regulatory reform is the only input required to deploy it toward the Housing Accord target.

Information Request 2: Most Onerous Approval Steps

Which steps of the housing regulatory approvals process are the most onerous, time consuming and costly?

Based on evidence from RLLC developers operating across multiple jurisdictions, the following steps impose the greatest burden.

Assessment and Determination

This is the costliest phase. In jurisdictions without a dedicated RLLC planning category, each application requires planners to determine applicable requirements without an established framework to guide them. Referral agencies unfamiliar with the model introduce delays. Multiple rounds of requests for further information are common. The burden arises from the process itself, not from substantive compliance requirements. Developers prepare the same documentation for every application. The cost comes from waiting.

CASE STUDY | Victoria: Assessment Times Nearly Double NSW and Queensland

Assessment and determination in Victoria takes nearly double the time of New South Wales and Queensland. Table 1 below sets out indicative approval timelines across the three jurisdictions.

The total approval process from pre-application to building permit takes approximately 7.5 to 10 months in Victoria, compared with approximately 5 months in New South Wales and Queensland.

This gap is driven almost entirely by the assessment and determination stage, where Victoria takes approximately four months compared with two months in the other states. The cause is structural: the absence of a clear planning category forces planners to treat each application as a unique assessment problem.

Table 1: Indicative RLLC Approval Timelines by Jurisdiction

Stage	NSW (months)	QLD (months)	VIC (months)
Pre-Application	1	1	1-2
Lodgement	0.5	0.5	0.5
Assessment and Determination	2	2	~4 (nearly double)
Construction Certificate / Operational Works	1	1	1-2
Building Permit	0.5	0.5	0.5-1
Total (approximate)	5 months	5 months	7.5-10 months

Sources: NSW Planning Portal; Queensland Development Assessment Rules; Guide to Victoria's Planning System; Clause 1 Planning, Planning Permit Decision Time Frames.

CASE STUDY | New South Wales: The Cost of a Dual Approval System

Unlike any other residential housing type in NSW, an RLLC development must pass through two entirely separate approval systems before a home can be occupied. Stage one is the planning consent under the Environmental Planning and Assessment Act 1979 and associated state environmental planning policies. Stage two is the design, layout, and operational approval under the Local Government Act 1993 and the Local Government Regulation 2021. These systems are managed by different agencies, carry different requirements, and run in sequence.

The practical effect is a compounding of approval time and cost that has no counterpart in conventional residential development. Operators report that the two-stage structure is the single most common reason that projects in NSW take longer than comparable projects in Queensland.

The industry has sought to merge these systems into a single state-wide planning pathway for over a decade. The Building Commission NSW's Building Productivity Reforms create urgency: if manufactured homes become easier to certify under the building system but the planning approval process remains two-stage, the reform will not deliver the intended supply benefit.

Pre-Application Engagement

RLLCs are routinely misidentified by planning staff as retirement villages, triggering the wrong assessment framework, different referral pathways, and different conditions. Developers often spend months in pre-application meetings before substantive assessment begins. This pattern appears across multiple jurisdictions. It is a structural problem that will persist as long as RLLCs have no dedicated planning definition.

Zoning Determinations

In several local government areas across Australia, RLLCs have no permissible use under any zone. A rezoning application is required before a development application can be lodged, adding 12 to 18 months to the process and introducing separate approval risk. Developers avoid these areas entirely, even where demographic demand is high. In NSW, the Housing State Environmental Planning Policy prohibits manufactured home estates in the Sydney metropolitan region. This restriction dates from the 1990s and has no sound policy basis today. Industry has advocated for its removal for decades. Expanding permissibility across LGAs is fundamental to unlocking land supply for the sector.

Construction Certification for Manufactured Homes

Manufactured and modular homes face additional certification barriers in some jurisdictions. In NSW, manufactured homes are currently excluded from the definition of a 'building' under the Environmental Planning and Assessment Act, placing them outside normal building approval and BCA compliance frameworks. The Building Commission NSW's Building Productivity Reforms are working to address this, but transitional arrangements need careful management to avoid adding cost and delay. Similar definitional gaps exist in other jurisdictions. Developers may commission structural engineering reports for homes already certified at the factory, duplicating compliance cost without improving safety outcomes.

How to reduce the burden:

- Create a dedicated approval pathway with a deemed-to-comply mechanism so applications meeting design standards receive approval within 60 days.
- Publish national RLLC design guidelines with clear performance-based criteria that remove the need to determine requirements case by case.
- Fund RLLC-specific planning training across all jurisdictions.
- Establish a single referral pathway for RLLC applications with defined response times for referral agencies.
- Accept factory certification for manufactured homes as sufficient for building permits without requiring duplicate site-level certification, and establish an equivalent streamlined process for homes constructed on site within new RLLC developments.

Information Request 3: Recent Reforms to Approvals

Which recent reforms to approvals have been the most and least effective in increasing new housing supply?

Effective Reforms

Queensland: Manufactured Homes (Residential Parks) Act 2003

Queensland's dedicated legislative framework for manufactured homes and residential parks provides clear definitions for developers, operators, and residents. It creates a recognised land use category, sets out approval requirements, and establishes tenure rights for home owners. Queensland has the highest RLLC penetration rate among the major states, which the industry broadly attributes to the certainty the framework creates for developers, though implementation has not been without challenges.

New South Wales: A Framework in Need of Fundamental Reform

New South Wales has the second-highest RLLC penetration rate in Australia, but this reflects market demand and geographic factors, not an accommodating planning framework. Despite more than a decade of industry advocacy, the NSW planning system has not delivered the reforms the sector needs. Operators report being opportunity-constrained: demand is there, capital is available, but the planning and approvals framework holds back supply.

The core structural problem is a dual approval system. An RLLC development in NSW must pass through two separate legislative frameworks in sequence. The first — development consent — operates under the Environmental Planning and Assessment Act 1979, the Environmental Planning and Assessment Regulation 2021, the Standard Instrument (Local Environmental Plans) Order 2006, the State Environmental Planning Policy (Housing) 2021 (Parts 8 and 9), and the State Environmental Planning Policy (Exempt and Complying Development Codes) 2008. The second — design, layout, and operational approval — operates under the Local Government Act 1993 and the Local Government (Manufactured Home Estates, Caravan Parks, Camping Grounds and Moveable Dwellings) Regulation 2021. No other residential housing type in NSW carries this two-stage burden. The second stage cannot begin until the first is complete, and each stage involves different requirements and different decision-makers.

Specific policy barriers compound the structural problem. The Housing SEPP prohibits new manufactured home estates in the Sydney metropolitan region under a restriction dating

from the 1990s. Manufactured homes currently fall outside the definition of 'building' under the EP&A Act, placing them outside normal building approval frameworks and producing inconsistent treatment across councils. Council attitudes vary significantly: not all local government areas support RLLCs, and some actively curtail them through local planning decisions. Part of the resistance reflects the single-lot rating structure — the operator pays council rates on the entire site rather than individual residents paying separately, which generates less per-dwelling revenue for councils than conventional residential subdivision. This creates a structural financial disincentive at the LGA level that only state planning reform can override.

The Building Commission NSW's Building Productivity Reforms are working to bring manufactured homes within a clearer certification framework. This is progress. But without parallel planning reform, the benefit will be limited — if manufactured homes become easier to certify but the two-stage planning approval process remains, developers still face the same timeline and cost burden. The urgency created by the Building Commission's work makes the long-overdue planning reforms a priority.

The industry's reform agenda for NSW is specific and consistent. It calls for: merging the dual EP&A Act and Local Government Act pathway into a single planning consent process; removing the Housing SEPP prohibition on manufactured home estates in the Sydney region; introducing Site Compatibility Certificates to fast-track rezonings for RLLCs and tourist parks; ending the requirement to renew approvals to operate every one to five years, replacing periodic renewals with a one-off development consent and ongoing operational approval; including manufactured homes in the definition of 'building' under the EP&A Act; expanding exempt and complying development pathways for manufactured homes and ancillary structures; and moving from prescriptive to performance-based standards, removing controls such as mandatory off-site construction wording, telephone line requirements, and car washing bay requirements.

On the positive side, NSW maintains sound consumer protection foundations. The Residential (Land Lease) Communities Act 2013 provides statewide consistency on site fee regulation, utility pricing, and resident rights. These protections are well regarded and do not require reform. The planning framework is where the work is needed.

Ineffective Approaches

Incremental amendments to existing planning schemes, without creating a dedicated RLLC category, have not materially reduced approval times nationally. They do not address the fundamental absence of a recognised land use definition. Without that definition, each application remains novel.

Ad hoc council policy changes, without state-level mandates, have limited effect. Councils that adopt more permissive approaches attract investment. Those that do not continue to deter it. This confirms that consistent reform requires state or federal direction, not local initiative.

CASE STUDY | Victoria: Consumer Protections Without Supply Reform

Victoria's amendments to the Residential Tenancies Act, arising from the Life in Residential Parks inquiry, improved consumer protections for existing RLLC residents and standardised site agreements. These are positive changes that benefit homeowners.

However, they have not increased the rate of new RLLC development. Improving the conditions of existing communities does not remove the planning barriers that prevent new communities from being approved. Both streams of reform are necessary.

Information Request 4: Zoning and Land-Use Controls

Which specific zoning and land-use controls most limit the supply of new housing?

Controls That Most Limit RLLC Supply

Absence of a Dedicated RLLC Land Use Category

The most limiting control across most jurisdictions is the absence of a dedicated RLLC planning category. RLLCs fall between residential and caravan park zones in most planning schemes. This ambiguity produces inconsistent treatment. Two identical RLLC proposals in adjacent local government areas may receive different assessments, different conditions, and different outcomes. Developers cannot form reliable expectations about approval prospects, which increases investment risk and reduces applications lodged.

Low-Density Residential Zoning

Many areas suitable for RLLC development are zoned for detached housing only. RLLCs, despite consisting of individual homes on individual sites with shared facilities, do not always satisfy the definition of single detached residential use. This excludes them from zones where demographic demand is high. The mismatch between RLLC physical form and zone categories is a direct consequence of planning definitions that predate the sector's maturity.

Metropolitan LGA Exclusions

In several metropolitan local government areas across Australia, RLLCs are not permitted under any zone category. Demand from the 50 and over age cohort in these areas goes unmet or is redirected to peri-urban and regional locations, which places additional pressure on those markets and removes accessible downsizing options for retirees who want to remain close to their communities and families.

CASE STUDY | New South Wales: Three Decades of Metropolitan Exclusion

The State Environmental Planning Policy (Housing) 2021 prohibits new manufactured home estates in the Sydney metropolitan region. This restriction has been in place since the 1990s, predating the development of modern residential land lease communities as a recognised housing asset class. No contemporary planning policy rationale supports it.

The Sydney metropolitan region contains Australia's largest concentration of older residents and the highest unmet demand for affordable downsizing options. The SEPP prohibition means RLLCs cannot be developed where demand is greatest. Investment flows instead to peri-urban and regional locations, placing additional pressure on those markets.

The NSW industry association has sought removal of this prohibition for over a decade. Its removal would open the highest-demand market in NSW to RLLC investment for the first time and is among the most straightforward reforms available to the NSW Government.

Neighbourhood Character and Heritage Controls

Neighbourhood character and heritage controls serve legitimate purposes in established urban areas. When applied to greenfield or peri-urban sites with no existing built character to protect, these controls add time and cost without a corresponding planning benefit.

Applying them to previously agricultural land delays housing supply without improving outcomes.

CASE STUDY | Victoria: Zoning as a Structural Barrier

Several metropolitan LGAs in Victoria do not permit RLLCs under any zone category, redirecting demand to urban fringe and regional areas.

Due to the absence of a dedicated RLLC planning definition in Victoria's planning provisions, identical RLLC proposals have received materially different treatment in adjacent councils.

Information Request 5: Land Release Arrangements

How important are land release arrangements in limiting housing supply in an area?

Land release is a significant constraint on RLLC supply. Several aspects of land release policy directly affect the sector.

Government Surplus Land

Commonwealth and state surplus land is an underused asset for RLLC development. RLLCs suit peri-urban and regional locations where government land holdings are more common. Making surplus land available for RLLC development, including through ground lease arrangements that align with the land lease model, would directly increase land supply without requiring rezoning of private land.

Urban Growth Boundaries and Greenfield Release

Urban growth boundaries and sequenced greenfield land releases affect where RLLCs can be built on metropolitan fringes. Planning for greenfield releases should include precincts designated for RLLC development, creating land supply certainty for developers.

Research from the Victorian sector shows that 60 percent of RLLC homeowners prefer to remain within nine kilometres of their current location. This means RLLCs must be available near where older residents already live. Urban growth settings that push RLLC development far from established communities' conflict with this preference and reduce take-up. Restricting RLLC access in established areas also limits housing diversity and removes an affordable downsizing option for older residents who wish to remain near their families.

The Land Tenure Advantage

The land lease model has an inherent land release advantage that planning systems should recognise. Because residents lease rather than own the land, the site remains in single ownership. This simplifies titling compared with conventional subdivision. An RLLC development does not require individual lot titles; it requires a single planning approval over the whole site. Planning frameworks that accommodate this tenure structure reduce the time from land release to occupied home.

Expansion of Existing Communities

Many existing RLLC communities have capacity to expand if adjacent land becomes available. Enabling expansion of well-functioning communities delivers homes faster than greenfield development because existing site infrastructure, management, and community services are already in place. Land release programs should include mechanisms to facilitate RLLC expansion alongside new community development.

CASE STUDY | Victoria: Land Demand to Meet Housing Targets

CRPvic estimates that approximately 13,769 hectares of land would need to become available across Victoria to meet projected RLLC demand to 2051.

52 percent of existing Victorian RLLC homes are in regional areas. 63 percent of homes in development or pipeline are in regional areas. Consistent with national trends, peri-urban and regional locations drive RLLC growth.

Additional homes added to existing caravan parks and mixed-use parks would reduce the total land requirement. Land release policy should treat existing community expansion as a priority pathway.

Information Requests 6 and 7: Infrastructure and Development Contributions

How do development contributions affect project feasibility? What infrastructure regulations should be a priority for reform?

The Self-Funded Infrastructure Model

RLLCs fund their own internal infrastructure. Within a community, the developer provides all roads, footpaths, stormwater management, utility connections, waste services, landscaping, and shared facilities. Residents pay site rent that funds ongoing maintenance. The operator retains ownership of the site and infrastructure for the life of the community and pays council rates on the land.

Unlike a conventional residential subdivision, an RLLC development concentrates demand on public infrastructure at a single point of connection to the external road and utility network. The operator funds and maintains all internal infrastructure for the life of the community. This self-funded model is structurally different from subdivisions that create hundreds of individual lots, each with separate demands on local government services.

How Contribution Frameworks Reduce Feasibility

Development contribution frameworks that do not recognise the self-funded infrastructure model of RLLCs impose costs that reduce project feasibility. The problem is most acute in regional and peri-urban locations where land values are lower, and development margins are tighter.

Common problems across jurisdictions include:

- Contributions calculated on the same per-dwelling basis as conventional residential subdivisions, without accounting for the substantial internal infrastructure the developer funds at their own cost.

- Open space contributions applied to RLLC developments that already include shared parks, gardens, and recreational facilities within the community boundary.
- Social infrastructure contributions for schools and community buildings that the RLLC resident population, predominantly aged 50 and over, does not place significant demand on.

These contribution structures create an effective tax on RLLC development. They make viable projects unviable, reducing housing supply without generating a commensurate public benefit.

Reform Priorities

Develop RLLC-Specific Contribution and Rating Frameworks

States and territories should develop contribution and rating frameworks that account for the self-contained infrastructure model of RLLCs. Contributions should reflect only the marginal demand an RLLC development places on off-site infrastructure, primarily road connections and main utility extensions. Internal infrastructure, funded and maintained entirely by the operator, should not count against developers in contribution calculations.

Credit Internal Shared Facilities Against Open Space Contributions

Where an RLLC provides shared green space, parks and recreational facilities within the community, these assets should offset open space contribution requirements. The developer already funds and maintains these spaces. Requiring a separate open space contribution duplicates costs without improving outcomes.

Streamline Infrastructure Agreement Processes

Utility connection agreements and road access approvals often involve multiple agencies with different processes and timeframes. A single-gateway infrastructure approval process with defined agency response times would materially reduce this burden.

Eligibility for the Local Infrastructure Fund

The Federal Government's \$2 billion Local Infrastructure Fund should explicitly include RLLC developments. RLLC communities require road connections, utility extensions, and sometimes stormwater upgrades. These are the types of infrastructure the Fund targets. Making RLLC developments eligible would leverage significant private capital, as developers fund all internal infrastructure themselves and need only support for external connection costs.

Summary of Recommendations

Caravan Industry Association of Australia asks the Productivity Commission to recommend the following reforms to the Australian Government and state and territory governments.

No.	Area	Recommendation
1	Planning Definitions	Direct states and territories to incorporate a consistent definition of Residential Land Lease Community into their planning frameworks, ensuring RLLCs are a permissible land use at the state level and removing LGA-level prohibition.
2	Approval Pathways	Direct states and territories to establish dedicated, time-limited (60-day) deemed-to-comply approval pathways for RLLC developments meeting published design standards, including performance-based standards that accommodate manufactured and modular construction.
3	National Housing Accord	Count RLLC homes formally in National Housing Accord reporting and targets across all jurisdictions.
4	Federal Funding Programs	Make RLLC developments explicitly eligible for the \$2 billion Local Infrastructure Fund and equivalent federal housing programs, including social and affordable housing streams.
5	Construction Methods	Require all state and territory planning and building frameworks to accommodate modular and manufactured construction for RLLC developments, including acceptance of factory certification and on-site construction where appropriate.
6	Government Land	Release surplus Commonwealth and state government land for RLLC development, including through ground lease arrangements suited to the land lease model.
7	Development Contributions and Rating	Reform contribution and rating frameworks across all jurisdictions to reflect the self-funded internal infrastructure model of RLLCs, crediting shared internal facilities against open space obligations and ensuring council rates reflect the services the operator, not the council, provides.
8	Planning Capacity	Fund RLLC-specific training for planning staff across all jurisdictions to reduce pre-application delays caused by unfamiliarity with the model.
9	Implementation	Establish a national government-industry working group, with RLLC sector representation, to coordinate implementation of planning reforms and monitor progress against Housing Accord targets.

Conclusion

Australia will not reach the National Housing Accord target of 1.2 million homes without deploying every viable housing model at scale. Residential land lease communities offer speed-to-market, national coverage, available private capital, and proven demographic demand. Construction times are faster than conventional builds. Entry prices are below comparable house and land packages. The multiplier effect on housing supply is real and measurable.

The obstacle is regulation. Planning definitions that are outdated, zoning frameworks that do not accommodate this housing type, and approval processes that vary enormously between jurisdictions prevent investment from flowing to its most productive use. These barriers are not inevitable. They are policy choices. They can be reversed.

Queensland demonstrates that dedicated legislative frameworks and streamlined approval pathways produce results at scale. South Australia demonstrates that statewide planning consistency removes LGA-level unpredictability. The evidence for what works exists within Australia already. The Productivity Commission's inquiry provides the mechanism to recommend these approaches nationally.

The CIAA and its state and territory affiliates stand ready to support implementation. We ask the Commission to use this inquiry to unlock the sector's contribution to solving Australia's housing shortfall.

“The convergence of demographic demand, affordability needs, and investment appetite has pushed the RLLC asset class firmly into the institutional mainstream, dispelling any lingering uncertainty about its scale, sophistication, or long-term viability.” — CBRE

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