

Impact Analysis Statement

Summary IAS

Details

Lead department	Department of State Development, Infrastructure and Planning (DSDIP)
Name of the proposal	Planning (State Facilitated Development) Amendment Regulation 2026
Submission type	Summary IAS
Title of related legislative or regulatory instrument	Planning Regulation 2017
Date of issue	5 March 2026

What is the nature, size and scope of the problem? What are the objectives of government action?

- Since 2018, construction productivity has declined by 9 per cent, meaning that delivering the same development outcome today requires more labour and takes longer than eight years ago. This decline is estimated to have resulted in approximately 77,000 fewer new homes being built in Queensland — a number equivalent to the current housing supply shortfall. This highlights the need for mechanisms that can accelerate state-significant housing delivery and demonstrates why barriers limiting access to the State facilitated development (SFD) pathway directly affect the State's ability to respond to the housing supply crisis.
- The *Planning Regulation 2017* (Planning Regulation) sets out the types of development eligible for assessment under the SFD pathway. Introduced into the planning framework in 2024, the pathway is intended to help overcome regulatory, resource and capacity constraints within the planning system by enabling the State to facilitate priority development, including housing. In the current environment of declining construction productivity, ensuring this pathway is accessible to state-significant housing projects is critical to accelerating supply.
- The SFD pathway comprises two stages, the declaration of a project as State facilitated development by the Planning Minister and assessment by the Chief Executive under the *Planning Act 2016*.
- The current eligibility criteria for SFD development are:
 - the development must be predominantly residential
 - at least 15 per cent of the total dwellings meet the Planning Regulation's definition of affordable housing component
 - the application must comply with one of the following:
 - the premises the subject of the application are completely within a zone supporting residential development; or
 - the premises the subject of the application are not within an environmental zone or a limited development zone, and the Minister is satisfied the premises are, or can be, readily serviced by infrastructure for the development.

- Use of the pathway is optional for proponents. It may be considered, for example, where Local Government indicates limited capacity to assess a major housing proposal during pre-lodgement, or where the scale or complexity of the project is considered to be of state significance.
- Recommendation 26 of Queensland's Productivity Commission's 2026 report *Opportunities to improve productivity of the construction industry* was to amend the SFD pathway to include other significant developments, including housing proposals. It specifies that to improve the SFD pathway mandatory eligibility criteria likely to reduce project viability, such as mandatory social or affordable housing targets should be avoided.
- Government action seeks to bring forward housing supply in response to demand and declining construction productivity. Amendments to the Planning Regulation are intended to expand access to the SFD pathway so that a greater range of State-significant housing development can be facilitated and delivered more quickly. These actions will support key government priorities to deliver housing including the 'Securing our Housing Foundations' Plan that seeks to deliver one million new homes by 2044.

What options were considered?

Option 1: No action, maintain status quo

Retaining the requirement for development to provide at least 15 per cent of total dwellings that meet the Planning Regulation's definition of affordable housing component would mean that uptake of the SFD pathway continues to rely on the market's ability to deliver this type of housing. As current experience indicates this requirement is often unachievable, particularly in regional areas, limited use of the pathway is expected to continue.

Option 2 – Remove the requirement for at least 15 per cent of total dwellings to be affordable for development to be eligible for the SFD pathway across Queensland.

This option simplifies the eligibility criteria for housing development to access the SFD pathway, enabling more projects to obtain streamlined assessment and reach the market faster. Increasing the number of development able to use the pathway is expected to support faster approvals and contribute to increasing housing supply.

This option can be quickly implemented and remains consistent with existing State policy settings that facilitate the delivery of affordable housing.

This option does not remove the definition of affordable housing component from the Planning Regulation. Retaining the definition of affordable housing component preserves the ability for development conditions to be imposed on development approvals, including those assessed through the SFD pathway.

Option 3: Remove the requirement for at least 15 per cent of total dwellings to be affordable for development to be eligible for the SFD pathway in specified regional areas.

This option aims to support faster delivery of housing in the same way as Option 2, but applies the change only to designated regional locations where providing the 15 per cent affordable housing component is not feasible due to market conditions.

This option would expand access to the SFD pathway in regional and rural areas, allowing more state-significant housing to be facilitated where it is most needed, while still promoting the delivery of affordable housing in areas where market demand supports it.

What are the impacts?

Option 1: No action, maintain status quo

Costs

- No uptake/the current uptake of the SFD pathway means that this facilitative assessment mechanism cannot be used to help bring additional housing supply to market.
- Existing barriers continue to prevent state-significant housing projects from accessing the SFD pathway.

Benefits

- No change would mean that for development to access the SFD process a 15% affordable housing component must be provided. Some stakeholders noted that removing this requirement would mean that affordable housing would not be provided as part of SFD projects, reducing the benefits provided by development. Further analysis of stakeholder comments is provided in the stakeholder section below.
- No changes to existing settings avoids introducing new risks or uncertainties.

Option 2 – Remove the requirement for at least 15 per cent of total dwellings to be affordable for development to be eligible for the SFD pathway across Queensland.

Costs

- Without an eligibility requirement for affordable housing, the provision of affordable housing within SFD-declared projects will depend on market feasibility and voluntary inclusion rather than regulatory mandate.
- Some stakeholders may perceive this as reducing the State's leverage to secure affordable housing outcomes.
- Reduced ability for the community to have their say as there are no appeal rights for Minister's decision to declare an application for SFD or the Chief Executive's decision on a SFD application.

Benefits

- Greater access to the facilitative SFD process, enabling more projects to benefit from streamlined, state-led assessment.
- Proponents retain flexibility to choose the most appropriate and economically feasible assessment mechanism for their development, supporting increased housing supply.
- Applicants will be able to use the pathway if it will be more expedient or appropriate for their specific circumstances than using the relevant local government development applications process or another development pathway.
- Retaining the definition of affordable housing component allows the ability for development conditions for affordable housing to be imposed on a development approval, including a development that is assessed as SFD.

Option 3: Remove the requirement for at least 15 per cent of total dwellings to be affordable for development to be eligible for the SFD pathway in specified regional areas.

Costs

- Introduces additional complexity in the planning framework by requiring clear delineation of where the affordable housing requirement applies and where it does not.
- Maintains the strict eligibility criteria for development to access the SFD process in metropolitan areas.
- Reduced ability for the community to have their say as there are no appeal rights for Minister's decision to declare an application for SFD or the Chief Executive's decision on a SFD application.

Benefits

- Supports greater housing delivery in regional and rural areas where market conditions make the 15 per cent requirement unviable.
- Still promotes the delivery of affordable housing in higher-demand metropolitan areas where it is feasible.

- Provides a tailored approach that aligns with regional economic conditions and viability constraints
- Applicants will be able to use the pathway if it will be more expedient or appropriate for their specific circumstances than using the relevant local government development applications process.
- Provide proponents flexibility in how housing approvals for development are obtained.

Who was consulted?

- DSDIP undertook targeted consultation on the proposed amendments to the Planning Regulation with relevant State agencies, Local Governments, Local Government Association of Queensland (LGAQ), and key industry stakeholders. This included officer-level discussions in August and September 2025 and formal targeted consultation from 4 August 2025 to 26 September 2025.
- Feedback from the Department of Families, Seniors, Disability Services and Child Safety, Brisbane City Council, Sunshine Coast Regional Council, Noosa Shire Council, LGAQ provided that the ability of the SFD process to deliver affordable housing may be reduced if the requirement to provide affordable housing is not a condition of eligibility for the pathway.
- LGAQ stated that Council officers questioned the value of the SFD process if the affordable housing component was removed, given the original intent of the SFD pathway was to support the delivery of affordable housing.
- LGAQ reiterated their request made in 2024 for Local Government to have a greater role in the decision-making process for SFD projects. It is noted that the amended guideline will require applicants to seek Local Government endorsement of the application prior to the process for consideration to declare an application to be SFD.
- The Property Council of Australia supports the changes.

What is the recommended option and why?

Option 1: No action, maintain status quo (not recommended)

This option does not respond to the objectives of Government intervention as it will not allow more development to access the SFD pathway to facilitate the delivery of housing supply. This option relies on market forces to deliver more housing, and more affordable housing without Government intervention in planning pathway options.

Option 2 – Remove the requirement for at least 15 per cent of total dwellings to be affordable for development to be eligible for the SFD pathway across Queensland (recommended)

Based on the following rationale this is the proposed option.

- Increasing the number of projects eligible to access the facilitative SFD pathway provides the greatest opportunity to facilitate housing delivery in line with the objectives of Government intervention.
- This option will have the most substantial impact on enabling more applications to access the SFD pathway. This is intended to support and remove barriers to increasing housing supply.
- Removing the affordable housing requirement statewide is the most effective way to facilitate housing through the SFD process. While retaining the requirement may support the delivery of affordable housing in some circumstances, these potential benefits are outweighed by the benefits of enabling a broader range of developments to access the SFD pathway and progress more quickly through assessment.
- Although there will be a reduced ability for the community to have their say as there are no appeal rights for Minister's decision to declare an application for SFD or the Chief Executive's decision on a SFD application there are a number of factors and actions taken to respond to this issue:
 - Public notification must be carried out by the proponent as per requirements under the Development Assessment Rules and submissions can be made to the chief executive about the proposed development.
 - To ensure that the discretion afforded to the Planning Minister in making declarations that would limit the ability for development applications to be appealed (i.e. development that progresses as SFD) is appropriate, the Amendment Regulation has retained criteria that the development must: be for predominantly residential development and

- the application must comply with either of the following:
 - the premises the subject of the application are completely within a zone supporting residential development
 - the premises the subject of the application are not within an environmental zone or a limited development zone, and the Minister is satisfied the premises are or can be readily serviced by infrastructure for the development.
- DSDIP also provides SFD Applicant Supporting Information (guidance) that outlines that before an SFD declaration can be made, proponents must obtain endorsement from the relevant Local Government in writing. The operation of the SFD pathway with broad eligibility criteria constrained by operational supporting guidance, allows the SFD pathway to be flexible to respond to emerging housing trends whilst also ensuring that the Minister can only declare projects that are supported by the Local Government that the development is in.
- Additionally, to ensure that the decisions are still subject to scrutiny by Parliament, the Chief Executive is required to prepare a report for each decision on a state facilitated application explaining the nature of the decision and the matters considered in making the decision. The Minister is also required to table a report in Legislative Assembly each financial year which states the number of decisions and includes the reports prepared by the chief executive.

Option 3: Remove the requirement for at least 15 per cent of total dwellings to be affordable for development to be eligible for the SFD pathway in specified regional areas (not recommended)

This option presents benefits over the baseline case (option 1) by increasing the number of proposals that could access the SFD process and maintaining the affordable housing requirement in metropolitan areas. However, this option is not recommended because:

- there is insufficient evidence to demonstrate that the feasibility of providing the 15 per cent affordable housing component differs significantly between regional and metropolitan areas.
- Introducing different eligibility requirements across regions would increase complexity and could create stakeholder tension regarding where the affordable housing requirement applies.

Impact assessment

All proposals – complete:

	First full year	First 10 years**
Direct costs – Compliance costs*	Direct costs cannot be quantified at this time. Justification is provided in the body of the IAS.	Direct costs cannot be quantified at this time. Justification is provided in the body of the IAS.
Direct costs – Government costs	As above	As above

* The *direct costs calculator tool* (available at www.treasury.qld.gov.au/betterregulation) should be used to calculate direct costs of regulatory burden. If the proposal has no costs, report as zero. **Agency to note where a longer or different timeframe may be more appropriate.

Signed

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 John Sosso
 Director-General
 Department of State Development, Infrastructure and
 Planning
 Date: 2.3.2026

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 Jarrod Bleijie MP
 Deputy Premier,
 Minister for State Development, Infrastructure and
 Planning and Minister for Industrial Relations
 Date: 2/3/26