



Every Queensland  
community deserves  
to be a liveable one

8 June 2026

Attn: Danielle Wood and Alison Roberts  
Commissioners  
Housing Supply Regulation Inquiry  
Productivity Commission  
[housing.supply@pc.gov.au](mailto:housing.supply@pc.gov.au)

Dear Commissioners,

**RE: Housing Supply Regulation Inquiry**

The Local Government Association of Queensland (LGAQ) welcomes the opportunity to provide input to inform the Federal Government Productivity Commission's Inquiry into 'Housing Supply Regulation' announced in May 2026.

The LGAQ understands the Productivity Commission has been asked to assess how regulatory systems affect housing supply across jurisdictions, identify best practice and recommend reforms to increase housing supply, with a focus on approval processes, land availability, and infrastructure delivery and utilisation. This submission explains the status of housing approvals and land availability in Queensland, and recommends the Commission focus its efforts on identifying sustainable, permanent infrastructure funding solutions.

The LGAQ and Queensland councils remain committed to working in partnership with other levels of government, industry and the community, to effectively address housing affordability challenges.

With regards to housing approvals and land availability, it is important the Commission recognises the diversity of Australia's planning systems when undertaking the Inquiry. In Queensland, councils have gone above and beyond to zone for, and approve, swathes of new housing supply. However, many of these approvals are yet to be activated by industry due to infrastructure funding constraints, among others.

The LGAQ commends the Productivity Commission for welcoming data to inform the Inquiry. It is critical that matters relating to how regulatory systems affect housing supply, are grounded in evidence, given the potential for oversimplification and misrepresentation of the issue.

There is overwhelming evidence to demonstrate that in Queensland, council zoning and approvals are enabling housing supply, not restricting it.

Queensland councils have already zoned enough broadhectare land for more than 580,000 new homes according to the QGSO<sup>1</sup>. In addition, based on a review of publicly available State Government endorsed Local Government Infrastructure Plan extrinsic materials from 35 councils, the LGAQ has found that councils have also zoned for more than 1,000,000 new infill homes.

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<sup>1</sup> [QGSO, 2025](#)



Based on this, it is clear that council zoning is not a barrier to housing supply in Queensland. The role of councils in Queensland is to help facilitate housing, but they cannot activate construction.

In addition to zoning for swathes of new homes, councils have also approved extensive housing supplies – including approximately new 100,000 residential lots as at September 2025<sup>2</sup>.

Townhouse and apartment (i.e. ‘multiple dwelling’) approvals are not monitored at a state-wide level in Queensland. However, according to the QGSO<sup>3</sup>, in South East Queensland (SEQ) alone, councils have approved more than 135,000 multiple dwellings which are yet to be built by developers. If it was assumed that SEQ multiple dwelling approvals account for 70% of all Queensland multiple dwelling approvals (mirroring population distribution), councils would have approved more than 190,000 multiple dwellings statewide, which remain unconstructed.

Based on this, it is clear that council approvals are not a barrier to housing supply in Queensland.

While councils have zoned for more than 580,000 broadhectare lots and have approved ~100,000 residential lots, industry delivered just 15,176 lots in 2024<sup>4</sup> (noting 2025 data is not yet available).

Furthermore, while councils have zoned for more than 1,000,000 new infill homes and have approved more than 190,000 multiple dwellings, industry delivered just over 10,000 multiple dwellings in 2024<sup>5</sup> (noting 2025 data is not yet available).

At these rates of construction, it would take industry more than 38 years to deliver the new lots that councils have zoned for, and 100 years to deliver the new infill homes councils have zoned for.

Despite overwhelming evidence that council zoning and approvals are not a barrier to housing supply in Queensland, the LGAQ is concerned that some narratives continue to under-represent the efforts of Queensland councils. These narratives have distracted from the challenges preventing the development industry from delivering actual housing, and continue to misguide corrective measures. For instance, a range of macroeconomic, government, and market conditions have been shown to materially impact housing affordability and availability, however, disappointingly, many of these are outside the Commission’s scope.

The LGAQ encourages the Commission to be led by reputable data and case studies in undertaking the Inquiry. With regards to infrastructure charging, for instance, the Commission’s call for submissions notes that if “*developer charges are not efficiently set (...) homebuyers (...) may pay more than their fair share for infrastructure*”.

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<sup>2</sup> [QGSO, 2025](#)

<sup>3</sup> [QGSO, Residential land development activity profiles – MCU Closing Stock December 2025](#)

<sup>4</sup> [QGSO, Residential land development indicators, 2024 – ‘RaL\\_Certifications’ tab, sum of cells CA62, CB62, CC62 and CD62](#)

<sup>5</sup> [Australian Bureau of Statistics \(ABS\), TABLE 39. Number of Dwelling Unit Completions by Sector, States and Territories: Original, March 2025 – ‘Data1’ tab, sum of cells M287-M290](#)



Queensland’s planning systems offer a unique opportunity to test this notion in practice – as Priority Development Areas (administered by the Queensland Government without capped infrastructure charges), operate alongside council-planned areas (which are subject to capped infrastructure charges).

In these instances, the Queensland Government can (and has) charged considerably higher infrastructure charges than a council would levy. Yet despite this, home prices have not reflected these higher input costs – reinforcing that the market value of housing reflects what the market is willing to pay, not necessarily the sum of input costs.

For the Productivity Commission’s forthcoming interim report to be data-led and defensible, the LGAQ considers it essential that Queensland councils are recognised for their success and contribution to planned and approved housing supply.

The LGAQ also considers it essential for the Productivity Commission to recognise the important distinction between ‘planned housing’ and ‘actual housing supply’.

The Productivity Commission’s Call for Submissions<sup>6</sup> notes that “*states and territories have initiated reforms to planning systems*”, yet “*despite these reforms, Australia is not on track to meet the Housing Accord targets*”. This acknowledgement, regarding the separation between *planning* and *actual* housing, is important to underscore.

While councils can plan for and approve housing, they are not responsible for activating and delivering those homes on the ground.

Delivering actual housing supply, in Australia, is predominately a responsibility for the private sector.

In the case of Queensland, the local government sector has already zoned for more than one million new homes and is approving housing at a pace far exceeding industry’s capacity to deliver.

As such, the LGAQ implores the Commission to focus the Inquiry on measures to address industry constraints that can lead to an increase actual housing supply, rather than focussing on planning reform measures to increase theoretical or planned housing supply.

Relevant to this, is the acknowledgment that ‘more homes’, need ‘more infrastructure’, and ‘more infrastructure’ needs ‘more funding’.

While approval processes and land availability may not be a constraint to actual housing supply in Queensland, the third pillar of the Commission’s scope, regarding infrastructure delivery, is critical.

Unfortunately, at present, housing-enabling trunk infrastructure remains significantly underfunded in Queensland and much of Australia – hindering the delivery of actual housing.

In 2024, the LGAQ undertook research<sup>7</sup> to understand the scale of Queensland’s trunk infrastructure funding gap. The research found that historically, infrastructure charges (from

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<sup>6</sup> [Productivity Commission, Call for submissions – Housing supply regulation, 2026](#)

<sup>7</sup> [Fixing Queensland’s trunk infrastructure funding framework, LGAQ, 2024](#)



developers) have covered just 39% of infrastructure costs outside of SEQ, and 50% of costs within SEQ – with the balance of costs borne by councils and their existing ratepayers. This funding split is unsustainable, and if left unchanged, in Queensland, would create a \$2.2 billion shortfall over four years.

In response to the LGAQ's research, in 2025, the Queensland Government launched the \$2 billion Residential Activation Fund<sup>8</sup>, to help close the funding gap. While the Fund has been well-received by councils and is supporting the activation of ~100,000 new homes<sup>9</sup> in Queensland, it is not a permanent funding solution.

Similarly, the LGAQ welcomes the Federal Government's recent announcement of a new \$2 billion Local Infrastructure Fund as part of the 2026–27 Budget<sup>10</sup>. This funding for infrastructure to support new housing, is significant and an important step forward.

However, identifying a permanent solution for infrastructure funding should be seen as a priority for the Commission, to activate councils' already planned for and approved housing supply, and to support a further long-term pipeline of planned housing.

This accords with a resolution passed by Queensland councils at the LGAQ's 2025 Annual Conference, calling on the Federal Government to establish a permanent funding program dedicated to supporting local governments in the delivery and upgrade of trunk infrastructure necessary to unlock housing supply and accommodate population growth.

Based on the above, the LGAQ makes the following recommendations:

- **Recommendation 1:** The LGAQ recommends the Productivity Commission explicitly recognises, in its interim report and final reports, the data and evidence that shows local government zoning and approvals are not a primary constraint on housing supply in Queensland.
- **Recommendation 2:** The LGAQ recommends the Productivity Commission distinguishes between planned housing supply and actual housing delivery and prioritise recommendations to address post-approval barriers to actual housing.
- **Recommendation 3:** The LGAQ recommends the Productivity Commission recommends the establishment of a permanent, scalable funding mechanism for housing-enabling trunk infrastructure - recognising that one-off or time-limited programs, while valuable, do not provide the long-term certainty needed to activate councils' already planned and approved housing supplies, nor support a further long-term pipeline of planned housing.

The LGAQ would be pleased to discuss this further with the Commission, and given the unique standing of Queensland councils, would welcome an opportunity to support the Commission in engaging directly with Queensland councils to workshop and progress permanent funding solutions.

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<sup>8</sup> [Residential Activation Fund, Queensland Government, 2025](#)

<sup>9</sup> [State Government Media Release \(14 October 2025\) 'A place to call home for more Queenslanders under Residential Activation Fund'](#)

<sup>10</sup> [Federal Government Local Infrastructure Fund, 2026](#)



Should you wish to discuss the above further, or any other aspect of this submission, please do not hesitate to contact Crystal Baker, Manager – Strategic Policy via or Matthew Leman, Lead – Planning and Development via

Yours sincerely,

Alison Smith  
CHIEF EXECUTIVE OFFICER