

LYV GROUP

PRODUCTIVITY COMMISSION INQUIRY INTO HOUSING SUPPLY REGULATION

MAIN SUBMISSION

Housing Supply as a Delivery System Challenge

Developing a National Coordination Framework for Housing Throughput

Submitted to:

Productivity Commission

Housing Supply Regulation Inquiry

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EXECUTIVE SUMMARY

Australia's housing shortage is commonly described as a supply problem.

Consequently, policy responses have focused on increasing supply through planning reform, land release, infrastructure investment, housing finance initiatives and construction productivity improvements.

These reforms remain important and necessary.

However, despite substantial public investment, extensive policy intervention and ambitious national housing targets, housing outcomes continue to lag housing ambition.

This submission proposes that Australia's housing challenge should increasingly be understood as a delivery system challenge.

The issue is not simply the availability of housing inputs.

The issue is the ability of the housing system to coordinate those inputs and convert them into completed and occupied homes.

Australia possesses many of the ingredients required to increase housing supply.

Capital exists.

Land exists.

Demand exists.

Infrastructure programmes exist.

Construction capability exists.

Manufacturing capability exists.

Yet housing outcomes continue to fall below national expectations.

The recurring challenge appears to be coordination.

This submission therefore argues that housing policy should increasingly focus not only on individual constraints but also on the delivery architecture connecting those constraints.

The central policy question is:

Who is accountable for housing delivery as a system?

PURPOSE OF THIS SUBMISSION

This submission responds to the Productivity Commission's Housing Supply Regulation Inquiry.

It supports efforts to improve housing delivery through planning reform, infrastructure coordination and regulatory improvement.

However, it proposes that many housing constraints currently identified across Australia are symptoms of a broader issue.

Australia lacks a clearly defined mechanism responsible for coordinating housing delivery across the full lifecycle of housing production.

The submission therefore introduces three related concepts:

1. The Housing Coordination Gap
2. Housing Delivered as Infrastructure
3. The National Housing Delivery Infrastructure Platform

Together these concepts provide a framework for understanding housing delivery as a system rather than a collection of individual activities.

THE PRODUCTIVITY CHALLENGE

Housing productivity is often discussed in terms of construction efficiency.

While construction productivity remains important, housing outcomes depend on significantly more than construction activity.

Housing outcomes emerge through the interaction of:

- planning systems
- infrastructure systems
- capital systems
- procurement systems
- delivery systems
- governance systems

Improving performance within individual components does not necessarily improve performance across the overall system.

This distinction is critical.

Australia may improve planning.

Australia may improve infrastructure.

Australia may improve financing.

Australia may improve construction productivity.

Yet housing outcomes may still remain constrained if the interfaces between these systems remain fragmented.

The challenge therefore extends beyond productivity within individual components.

It extends to productivity across the delivery system as a whole.

THE HOUSING COORDINATION GAP

The housing system consists of multiple participants.

These include:

- Commonwealth Government
- State Governments
- Local Government
- Planning Authorities
- Infrastructure Providers
- Utilities
- Capital Providers
- Housing Agencies
- Developers
- Builders
- Manufacturers
- Community Housing Providers

Each participant performs an important role.

Each possesses its own governance arrangements and performance measures.

Very few participants are accountable for optimising housing delivery as a whole.

This creates what this submission describes as the Housing Coordination Gap.

The Housing Coordination Gap is the absence of a clearly defined mechanism responsible for coordinating housing delivery across the entire system.

The consequence is fragmentation.

The result is reduced housing throughput.

APPROVALS, LAND AND INFRASTRUCTURE

The Inquiry appropriately focuses on:

- approvals
- land availability

- housing-enabling infrastructure

These are critical issues.

However, they should be viewed as interconnected components of a broader delivery system.

Planning approvals alone do not deliver housing.

Land release alone does not deliver housing.

Infrastructure investment alone does not deliver housing.

Housing outcomes emerge when these components operate successfully together.

Future reforms should therefore focus not only on improving individual components but also on improving their interaction.

WHY EXISTING REFORMS OFTEN UNDERPERFORM

Australia has undertaken substantial housing reform efforts.

These reforms often target individual constraints.

Planning Reform

Improves approvals.

Does not necessarily improve infrastructure sequencing.

Infrastructure Investment

Improves servicing capacity.

Does not necessarily improve delivery coordination.

Housing Finance

Improves capital availability.

Does not necessarily improve housing throughput.

Industrialised Construction

Improves production capability.

Does not necessarily improve integration into delivery systems.

Workforce Initiatives

Improve labour availability.

Do not necessarily improve overall programme performance.

The issue is not that these reforms are ineffective.

The issue is that they are frequently implemented as separate interventions.

Housing outcomes are determined by the performance of the entire delivery system.

HOUSING DELIVERED AS INFRASTRUCTURE

This submission proposes that housing should increasingly be viewed through the same delivery lens applied to major infrastructure programmes.

Infrastructure programmes typically operate through:

- programme governance
- delivery authorities
- performance reporting
- integrated planning
- accountability frameworks

Housing performs a similarly critical economic and social function.

However, housing delivery frequently lacks equivalent delivery structures.

The objective is not to replicate infrastructure governance exactly.

The objective is to apply infrastructure delivery principles to housing delivery.

These include:

- accountability
- coordination
- sequencing
- transparency

- performance measurement
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A NATIONAL HOUSING DELIVERY INDEX

Australia currently measures housing activity more effectively than it measures housing delivery.

Current indicators include:

- funding allocations
- approvals
- commencements
- housing targets

These metrics are valuable.

However, they provide limited visibility across the full delivery lifecycle.

This submission proposes the development of a National Housing Delivery Index.

The Index would track:

Policy Allocation

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Funding Commitment

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Project Approval

↓

Infrastructure Readiness

↓

Procurement

↓

Construction Commencement

↓

Completion

↓

Occupation

The purpose is to identify where housing is delayed, constrained or lost.

Most importantly, it shifts measurement from activity toward outcomes.

RECOMMENDATIONS

Recommendation One

Develop a National Housing Delivery Index capable of measuring housing throughput across the full housing lifecycle.

Recommendation Two

Assess housing reforms according to their impact on completed and occupied housing outcomes rather than activity measures alone.

Recommendation Three

Apply infrastructure delivery principles to major housing programmes, including governance, accountability and performance reporting.

Recommendation Four

Improve visibility across the housing delivery system through nationally consistent reporting frameworks.

Recommendation Five

Investigate governance models capable of providing clearer accountability for housing delivery outcomes across multiple jurisdictions and delivery participants.

CONCLUSION

Australia's housing shortage is often described as a supply problem.

This submission proposes that the issue may be more accurately understood as a delivery system problem.

Australia possesses many of the inputs required to increase housing supply.

The challenge is converting those inputs into completed and occupied homes.

The recurring constraint appears to be coordination.

Improving housing outcomes therefore requires more than improving individual components of the housing system.

It requires improving the mechanisms that connect them.

The central challenge is not simply housing supply.

The central challenge is housing delivery.

The central policy question is therefore straightforward:

Who is responsible for converting housing ambition into housing outcomes?

If that question cannot be clearly answered, the Housing Coordination Gap may itself represent one of the most significant constraints on housing supply.

This submission is accompanied by three supporting papers:

Attachment 1

Complexity Decoded – Understanding Australia’s Housing Coordination Gap

Attachment 2

Housing Delivered as Infrastructure – A Treasury Framework for Housing Throughput

Attachment 3

National Housing Delivery Infrastructure Platform – A Delivery Architecture for Converting Housing Inputs into Housing Outcomes

Together these papers propose a delivery-system approach to improving housing throughput, accountability and coordination across Australia’s housing system.

REFERENCES AND SUPPORTING SOURCES

This submission draws upon publicly available data, government reports, housing policy documents, infrastructure planning frameworks, housing delivery research and industry engagement undertaken as part of the Complexity Decoded research programme.

Commonwealth of Australia

- National Housing Accord
- Homes for Australia Plan
- Federal Budget Papers and Housing Measures
- Department of the Prime Minister and Cabinet
- Treasury Housing Policy and Economic Statements

Australian Bureau of Statistics (ABS)

- Building Approvals, Australia
- Building Activity, Australia
- Population Growth and Housing Statistics
- Labour Force and Construction Industry Data

National Housing Supply and Affordability Council (NHSAC)

- State of the Housing System Reports
- National Housing Supply Assessments
- Housing Demand and Supply Forecasting

Productivity Commission

- Housing Supply Regulation Inquiry
- Construction Productivity Research
- Infrastructure and Regulatory Reform Research
- Government Service Delivery Research

Housing Australia

- Housing Australia Future Fund (HAFF)
- National Housing Infrastructure Facility (NHIF)
- Affordable Housing Program Reporting

- Social and Affordable Housing Delivery Programs

Infrastructure Australia

- Infrastructure Market Capacity Reports
- National Infrastructure Planning Frameworks
- Infrastructure Priority Lists

Infrastructure NSW

- State Infrastructure Strategy
- Housing and Infrastructure Coordination Reports
- Strategic Infrastructure Planning Frameworks

CEDA and Urbis

- Built Different: Modern Methods of Construction and Housing Delivery (2026)
- Housing Productivity and Delivery Research

Building 4.0 CRC

- Industrialised Construction Research
- Prefabrication and Modern Methods of Construction Research
- Housing Delivery System Research

State Government Housing Strategies

- NSW Housing Strategy
- NSW Housing Pattern Book
- Victoria Housing Statement
- Queensland Housing Strategy
- Western Australia Housing and Homelessness Strategy
- South Australia Housing Roadmap

Industry and Housing Sector Research

- Community Housing Industry Association (CHIA)
- National Shelter
- Property Council of Australia
- Housing All Australians
- PrefabAUS
- Australian Institute of Project Management (AIPM)

International Reference Sources

- Singapore Housing & Development Board (HDB)
- Austrian Housing Delivery Models (Vienna)
- Japanese Housing Delivery and Construction Productivity Systems
- International Industrialised Construction Research
- OECD Housing Policy and Infrastructure Research
- World Bank Infrastructure Delivery and Governance Frameworks

Complexity Decoded Research Programme

The accompanying submission package forms part of the Complexity Decoded research programme examining housing supply as a national delivery system challenge.

The submission should be read in conjunction with:

- Main Submission – Housing Supply as a Delivery System Challenge: Developing a National Coordination Framework for Housing Throughput
- Attachment 1 – Complexity Decoded: Understanding Australia’s Housing Coordination Gap
- Attachment 2 – Housing Delivered as Infrastructure: A Treasury Framework for Housing Throughput
- Attachment 3 – National Housing Delivery Infrastructure Platform: A Delivery Architecture for Converting Housing Inputs into Housing Outcomes

Together these papers propose a delivery-system approach to improving housing throughput, accountability and coordination across planning, infrastructure, capital and construction systems.

The central proposition is that Australia's housing challenge is not solely a planning challenge, funding challenge, infrastructure challenge or construction challenge.

It is fundamentally a delivery system challenge.

Housing is the first application.

Coordination is the capability.

Delivery is the objective.

Outcomes are the measure.