



Better Planning Network Inc.

Submission to the Productivity Commission

Inquiry into Housing Supply Regulation — Call for Submissions (May 2026)

Position: Deregulation has not delivered housing, nor is it likely to

This submission responds to the Productivity Commission's call for views on the regulations that most affect new housing supply. It is offered from Better Planning Network Incorporated, an alliance of member groups that fosters best practice environmental, heritage, social sustainability and design outcomes.

Our members have been subject to the full suite of recent NSW Government reforms including Transport Oriented Development (TOD), the Low and Mid-Rise (LMR) Housing Policy, the Housing Pattern Book complying development pathway, the Housing Delivery Authority and the proposed Development Coordination Authority.

The Commission's framing accepts as a working premise that *"the volume and complexity of regulations affecting the housing sector have increased significantly"* and that further deregulation will lift supply. The evidence from NSW — the jurisdiction that has gone furthest with this agenda — does not support that premise. Despite three years of aggressive deregulation, NSW is tracking well below its National Housing Accord share.

According to the Australian Bureau of Statistics, completions hit a 12-year low, falling rather than rising, and the principal effect of the reforms to date has been to transfer planning power upward and infrastructure risk downward, not to put roofs over heads.

Before recommending another round of oversight-stripping reforms, the Commission should seriously test the assumption that legislation and regulation are restricting housing supply. The bottleneck in Australian housing supply is no longer principally regulatory. It is primarily due to many other factors, including:

- the construction sector's productivity collapse,
- the cost and availability of finance,
- the labour and materials pipeline,
- the absence of trunk and social infrastructure ahead of rezoning,
- developer land banking,
- construction occurring primarily in more expensive LGAs, rather than affordable areas,
- reduced State Govt investment in public housing over many decades,
- increase in short term investment rentals eg. Airbnb,
- increased foreign buy-in to residential properties and absentee ownership in general,
- likely unsustainable migration levels.

Yet these terms of reference have been excluded from the scope of this Productivity Commission Inquiry. Recommending further deregulation while those binding constraints are ruled out of scope risks producing a report that is both politically convenient and analytically unsound.

Deregulation has not and will not, on the published data, deliver the homes promised.

Recommending more deregulation, particularly while the terms of reference exclude the variables that actually determine completions, will further erode public confidence in the planning system without materially improving supply.

The Productivity Commission has the standing to say this plainly in its interim report.