

Enabling More Homes Through Better Planning

Submission to Productivity Commission Inquiry into
Housing Supply Regulation



Contents

1. Executive summary	3
2. More homes through better planning	4
2.1 Good planning is productivity reform.....	4
2.2 The goal is not simply approval quantity and speed	6
2.3 Hundreds of thousands of homes are approved, but not built	7
2.3 From piecemeal reform to successful reform.....	10
2.3.1 Beyond reform	13
2.4 Limitations of the Commission’s scope	14
2.4.1 It is a systems challenge	14
2.4.2 Effect of reform.....	14
2.4.3 Impact of reform	15
3. Responding to inquiry questions	16
3.1 Approval processes	16
3.1.1 Which regulatory reforms should governments prioritise to get more homes built more quickly?	16
3.1.2 Which steps of the housing regulatory approvals process are the most onerous, time consuming and costly?	18
3.1.3 Which recent reforms to approvals have been most and least effective?	19
3.2 Availability and use of land for housing	21
3.2.1 Which zoning and land-use controls most limit new housing supply? What benefits should be considered?	21
3.2.2 How important are land release arrangements, subdivision, and titling?	23
3.3 Housing-enabling infrastructure	23
3.3.1 How do development contributions affect feasibility and supply?	24
3.3.2 What other regulations relating to housing-enabling infrastructure should be a priority for reform?	25
4. Features of a best-practice housing regulatory system.....	27
4.1 Enabling strategic planning success at scale	28
4.2 Recommendations to achieve best-practice	31
5. Conclusion.....	32

1. Executive summary

Australia needs more homes. It needs those homes to be well located, serviced, safe, affordable to operate and capable of supporting more productive cities and regions. The Planning Institute of Australia (PIA) supports a reform agenda that is practical, predictable, and pro-planning: one that removes unnecessary friction while strengthening the long-term planning, infrastructure coordination and institutional capability required to deliver homes at scale now and well into the future.

Poorly designed rules, outdated plans, duplicative referral processes and inefficient post-approval systems should be reformed. However, treating planning reform as a proxy for housing supply reform risks making the problem worse. Housing supply depends on the effective functioning of the entire housing production system, from strategic planning and infrastructure provision through to financing, utilities, subdivision, construction, certification, and occupation.

Australia already has a substantial pipeline of planning-approved homes that is yet to be delivered. Across the country, hundreds of thousands of dwellings have planning approval, but have not commenced construction. While planning approvals are important, many of the most significant regulatory and financial barriers to housing delivery now occur after planning approval has been granted.

Under the National Housing Accord, governments have committed to the delivery of 1.2 million well-located homes over five years to June 2029.¹ Achieving that target requires accelerating the housing production sequence of strategic planning, infrastructure funding, development-ready land, utility connections, construction capacity, subdivision, titling, and final occupation.

PIA recommends a reform agenda that addresses both the immediate barriers to housing delivery and the longer-term foundations of housing supply.

In the short term, governments should focus on unblocking the later stages in the housing production pipeline, enabling already approved homes to be delivered by addressing infrastructure constraints, utility connections, post-consent approvals, subdivision processes, and titling delays. In parallel, governments must rebuild the strategic planning capability needed to plan for future housing and employment growth areas, align infrastructure investment with growth, and provide an efficient pipeline of feasible development opportunities.

To achieve this, this submission makes seven recommendations:

¹ Prime Minister of Australia, National Cabinet housing outcomes, 16 August 2023. <https://www.pm.gov.au/media/meeting-national-cabinet-working-together-deliver-better-housing-outcomes>

1. **Create a National Housing Evidence Framework** that tracks the pipeline from strategic capacity, zoned capacity, and approvals through to construction, completion, and occupation.
2. **Establish a Future Homes Planning Fund** to support strategic planning, housing capacity analysis, infrastructure sequencing, and precinct planning in well-located areas.
3. **Adopt a National Zoning and Infill Best Practice Model** that supports density done well in well-located areas, including minimum densities in certain locations, reduced car parking rates where near public or active transport, and clear contemporary design standards for different types of homes.
4. **Create a Post-Approval Delivery Program** to streamline post-approval processes and reduce delays in conditions, utility connections, engineering approvals, subdivision, titling, and construction readiness.
5. **Establish Housing-Enabling Infrastructure Compacts** that align Commonwealth, state and local funding with housing targets, infrastructure readiness, and delivery milestones.
6. **Prepare a Planning Workforce and Capability Plan** to address shortages in planners, engineers, certifiers, and related professionals needed to move homes through the housing production pipeline whilst ensuring they are safe, well-built and fit-for-purpose.
7. **Develop a Reform Evaluation Framework** that measures what matters, tracking reforms against their outcomes such as housing completions, location, infrastructure readiness, affordability, resilience, and community outcomes.

2. More homes through better planning

2.1 Good planning is productivity reform

Planning is too often simplified as an administrative or regulatory function. However, planning done well is a critical economic coordination function. It helps determine where homes, jobs, infrastructure, schools, open space, utilities, and services are located, and how they connect to one another over time.

When that coordination function is absent or fragmented, the consequences are significant. Land is rezoned too early or late, infrastructure lags growth, housing is delivered in less efficient locations, and uncertainty increases costs for households, businesses, and governments alike. Effective planning ensures growth occurs in the right places, at the right time, and is supported by the infrastructure and services needed to make communities function well.

For a highly urbanised economy like Australia, this makes planning a key productivity tool. The spatial relationship between housing, labour markets, transport networks, industrial land, services, and utilities have direct effects on business productivity, labour market efficiency, household costs, and public expenditure. As Australia grows toward a larger and

more urban population, the quality of spatial decisions will increasingly determine whether growth improves living standards or creates avoidable congestion, infrastructure backlogs and rising fiscal costs.

The productivity benefits of well-planned urban growth are material. The Productivity Commission has previously estimated that improving the functioning of Australian cities could add up to \$29 billion over the long term to national economic output through better transport connectivity, land use coordination, and housing supply.²

Conversely, poor coordination carries significant costs. Infrastructure Australia has estimated that avoidable urban congestion and public transport crowding cost the economy \$19.0 billion in 2016 and could rise to \$39.8 billion by 2031 without effective investment and reform.³

These costs are not simply the consequence of population growth. They are heavily influenced by how growth is planned, sequenced and connected. For example, housing disconnected from jobs, services and transport networks can lock households into longer travel times, increase infrastructure costs, and reduce access to employment opportunities. Housing delivered in well-located areas, supported by transport, open space and community infrastructure, when done well can improve productivity, strengthen labour markets and reduce the long-term cost of servicing growth.

The evidence on infrastructure costs reinforces this point. The NSW Productivity and Equality Commission has found that the infrastructure-related costs of building further from the Sydney CBD can be around \$75,000 more per dwelling, with local traffic congestion and wastewater costs among the key drivers of variation.⁴

Case study 1: Congestion is a planning and productivity cost

Congestion illustrates why planning reform should be treated as productivity reform. When housing growth is dispersed, car-dependent or poorly sequenced with infrastructure, households face longer commutes and governments face pressure to retrofit expensive networks after growth has occurred. When housing is planned around centres, jobs, transport and services, growth can support more efficient infrastructure use and better labour market access. Infrastructure Australia's estimate of \$19.0 billion in congestion and crowding costs in 2016, rising to \$39.8 billion by 2031 without action, demonstrates the scale of the productivity cost that poor spatial coordination can create.⁵

² Productivity Commission, *Shifting the Dial: 5 Year Productivity Review*, 2017.
<https://www.pc.gov.au/inquiries/completed/productivity-review/report>

³ Infrastructure Australia, *Urban Transport Crowding and Congestion*, 2019.
<https://www.infrastructureaustralia.gov.au/publications/urban-transport-crowding-and-congestion>

⁴ NSW Productivity and Equality Commission, *Building more homes where infrastructure costs less*, 2023.
<https://www.nsw.gov.au/departments-and-agencies/nsw-productivity-and-equality-commission/document-library/building-more-homes-where-infrastructure-costs-less>

⁵ Infrastructure Australia, *Urban Transport Crowding and Congestion*, 2019.
<https://www.infrastructureaustralia.gov.au/publications/urban-transport-crowding-and-congestion>

Good planning also helps communities, governments and businesses manage risk. The table below sets out some of the key risks managed through the investment in good planning.

Table 1: Risks created from a lack of good planning

Risks	Immediate consequence	What communities experience
Infrastructure fails to keep pace with growth	Housing is approved without funded or sequenced enabling infrastructure.	Congestion, overloaded schools, strained utilities, delayed projects, and higher public costs.
Housing in unsafe or unsuitable locations	Growth is directed into areas exposed to flood, bushfire, heat, or coastal hazards.	Higher disaster recovery costs, insurance pressure, evacuation risk, and community displacement.
Outdated strategic plans	Development assessment becomes the place where unresolved policy conflicts are fought out.	Longer assessment, more community conflict, weaker investor confidence, and inconsistent decisions.
Poorly located growth	Housing is disconnected from jobs, transport, and services.	Longer commutes, reduced labour market access and higher household transport costs.
Loss of trust and certainty	Policy churn and unclear rules reduce confidence.	More objections, higher risk premiums, delayed investment, and less durable reform.

Natural hazards provide a clear example of why planning matters. Natural disasters currently cost the Australian economy around \$38 billion per year, projected to rise to \$73 billion annually by 2060.⁶ Flood, bushfire, coastal erosion, and heat wave are not abstract considerations. They have direct implications for insurance availability and affordability, disaster recovery costs, construction feasibility, long-term maintenance costs, and public confidence in growth.

Planning cannot eliminate these risks, but it can help communities understand, avoid, mitigate, and adapt to them. The challenge for governments is therefore not whether to regulate, but how to regulate well. Reform should focus on improving the quality, consistency and effectiveness of planning and regulatory systems, rather than simply changing regulation.

2.2 The goal is not simply approval quantity and speed

The policy objective should not be to maximise the number of approvals or minimise approval timeframes as ends in themselves. The objective should be to maximise the delivery of completed homes in well-located communities.

⁶ Deloitte Access Economics (2021), *Special Report: Update to the Economic Costs of Natural Disasters in Australia*, prepared for the Australian Business Roundtable for Disaster Resilience & Safer Communities.

Australia has already spent more than 30 years reforming state and territory planning systems, yet housing supply challenges persist. While some reforms have undoubtedly improved system performance, others have added new pathways and processes that contribute to complexity and reform fatigue without addressing the factors that ultimately determine whether approved housing is delivered.

The National Housing Supply and Affordability Council has emphasised that housing outcomes depend on the performance of the whole housing system, not one part of the pipeline.⁷ Strategic planning, infrastructure provision, utility connections, financing, construction capacity, subdivision, titling, and occupation all influence whether housing reaches the market.

The Council's March 2026 quarterly report reinforces the importance of measuring outcomes rather than activity⁸. The key question is not how many reforms have been announced, how much housing has been approved, or how quickly approvals are issued.

The key question is whether more homes are being completed and occupied in the locations where Australians need them most.

2.3 Hundreds of thousands of homes are approved, but not built

For an asset class that is fundamental to Australia's economic performance, it is concerning that policymakers still lack access to the datasets required to understand how the housing system is functioning and where bottlenecks occur.

One significant gap is the absence of a nationally consistent dataset on planning approvals. This limits the ability of governments to understand how housing is progressing through the development pipeline, where delays are occurring, and whether planning reforms are translating into housing supply outcomes.

Better national data is not simply a reporting issue. It is essential infrastructure for effective housing policy and productivity reform. PIA welcomed the agreement by Treasurers at the end of 2025 to invest in housing, planning and land use dashboards, however, to date no update has been provided on how these dashboards are progressing.⁹

Despite these limitations, the available evidence on planning-approved dwellings points to a clear conclusion: a substantial volume of planning-approved housing is not translating into completed homes. Whilst much of the policy debate assumes that planning approvals are the principal constraint on housing supply, the data increasingly suggests that challenges in converting approvals into construction and completion.

⁷ National Housing Supply and Affordability Council, State of the Housing System 2025. <https://nhsac.gov.au/reports-and-submissions/state-housing-system-2025>

⁸ National Housing Supply and Affordability Council, Quarterly Report, March 2026. <https://nhsac.gov.au/reports-and-submissions/quarterly-report-march-2026>

⁹ Planning Institute of Australia, Treasurers Back Better Planning Data in Win for Housing Reform https://www.planning.org.au/pia/pia/news-resources/articles/latest-updates/NATIONAL/New_Data_Dashboards.aspx

Queensland provides one of the clearest examples. Data published by the Queensland Government Statistician’s Office identifies a significant number of approved dwellings and residential lots that have not progressed to construction or completion.¹⁰ Similar patterns have been identified in other jurisdictions and are widely recognised by practitioners across the development industry.

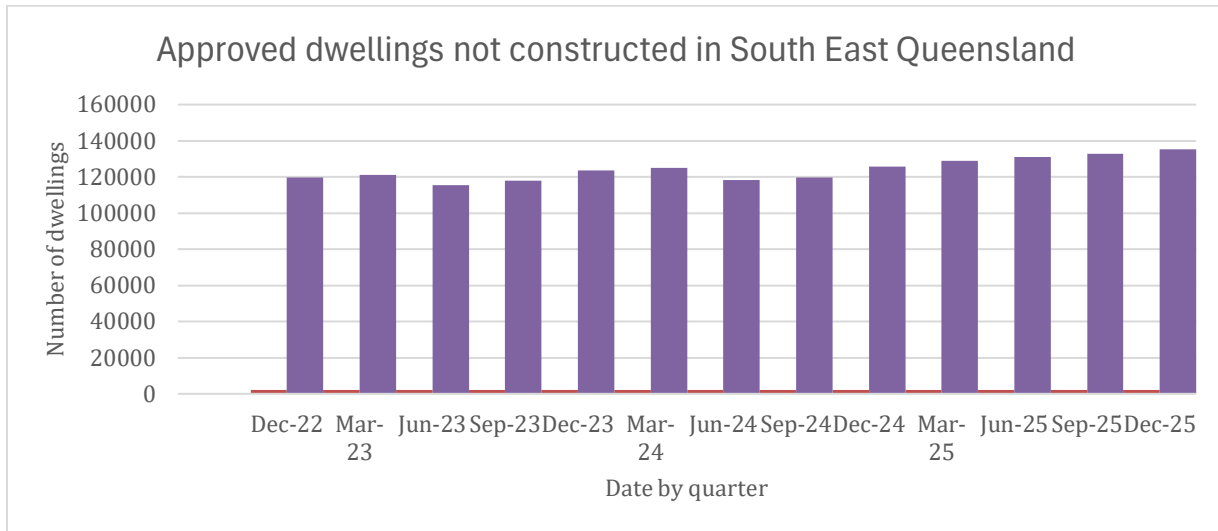


Figure 1: Queensland Government Statistician Office, Residential land development activity – Closing stock of MCU’s in South East Queensland

In South East Queensland, the data shows that the number of approved dwellings that have not yet been constructed has remained consistently high and has grown over time. The pipeline increased from around 120,000 dwellings in late 2022 to approximately 136,000 by the end of 2025. This suggests that planning approvals are accumulating faster than homes are being delivered.

¹⁰ Queensland Government Statistician’s Office, Residential land development activity, May 2026.
<https://www.qgso.qld.gov.au/statistics/theme/industry-development/residential-land-development-activity>

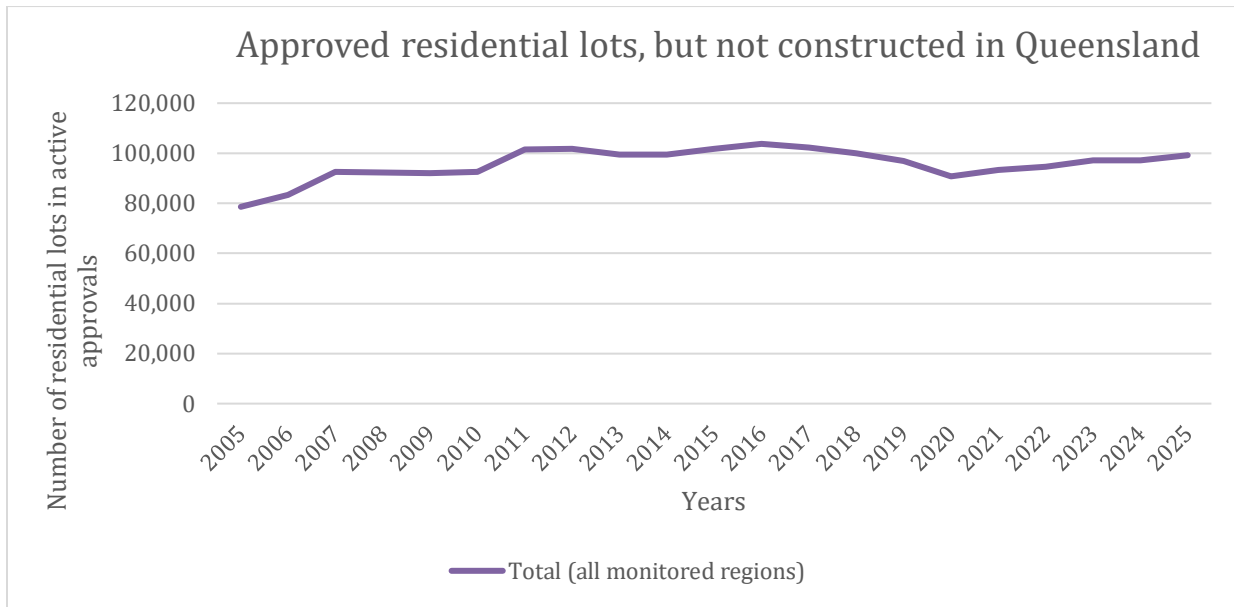


Figure 2: Queensland Government Statistician Office, Residential land development activity – Closing stock of ROLs in Queensland

Further, this data demonstrates that Queensland has maintained a large stock of approved residential lots that remain undeveloped. The number of lots with active approvals increased from around 78,000 in 2005 to approximately 98,000 in 2025, peaking at more than 100,000 lots during the 2010s. Despite fluctuations in market conditions, the volume of approved but unconstructed lots has remained persistently high.

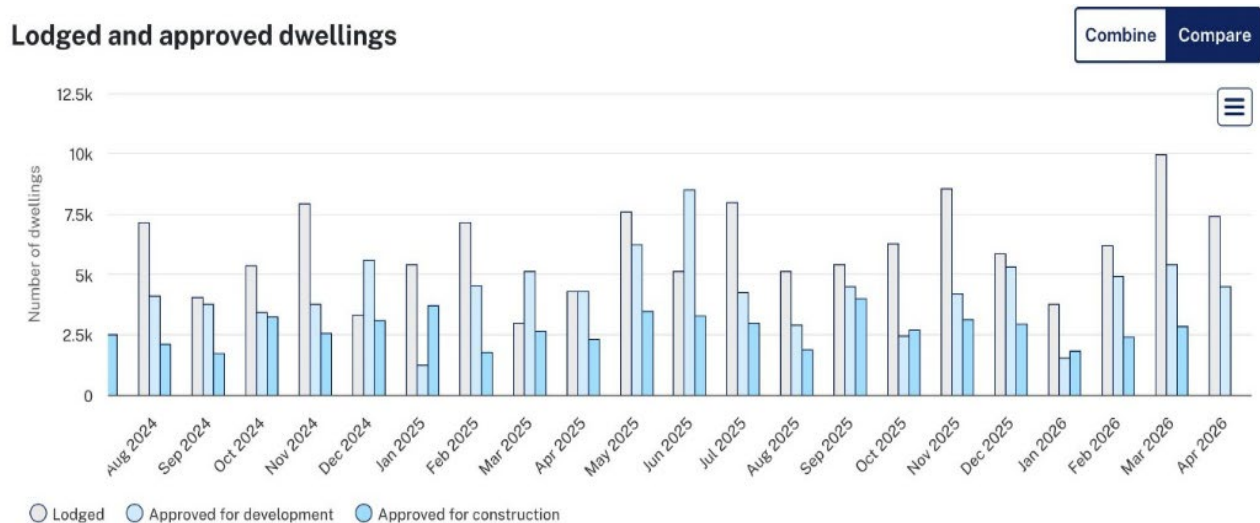


Figure 3: NSW Department of Planning, Housing and Infrastructure, *Housing Supply Dashboard* data from 1 July 2024¹¹

¹¹ [Housing Supply Dashboard, planning.nsw.gov.au/data-and-insights/housing-supply](https://planning.nsw.gov.au/data-and-insights/housing-supply)

The trend in NSW is similar. This above graph highlights an important feature of the housing supply pipeline in New South Wales: while large numbers of dwellings are being lodged and approved, far fewer are progressing to construction. Between August 2024 and April 2026, approvals for development consistently outpaced approvals for construction, creating a substantial gap between planning consent and actual delivery. For example, in March 2026 almost 10,000 dwellings were approved for development, yet only around 3,000 received approval for construction. Similar patterns occur throughout the period, suggesting that planning approval is not the primary bottleneck in housing delivery.

In Victoria, 2023 data shows that construction had not yet started on 119,536 approved dwellings – including houses, townhouses and units – under the state’s planning system.¹² More up-to-date Victorian data is not publicly available for planning approvals.

Nationally, significant delays occur after planning approval is granted, including infrastructure provision, detailed design, certification, feasibility, utility connections, subdivision approvals, financing, and construction readiness. These are often referred to as zombie approvals.¹³ The data reinforces the need for housing reform efforts to focus not only on planning approvals, but also on improving the conversion of approved housing into completed homes by addressing post-consent barriers across the broader housing delivery system.

UDIA National’s 2026 National Housing Pipeline analysis points in the same direction, finding that 40 per cent of land zoned and approved for new housing is constrained by post-planning approval barriers, with a significant share stalled by trunk water, sewer, power, and road connections.¹⁴

A productive housing system should be judged by its ability to convert planned, zoned, and approved housing capacity into completed homes. The key questions are: **what proportion of approved housing is delivered, how quickly is it delivered, where is it delivered, at what cost, and with what level of infrastructure and service readiness?** These are the measures that ultimately determine housing outcomes and provide a more meaningful assessment of system performance.

2.3 From piecemeal reform to successful reform

As mentioned above, Australia has undertaken planning reform across all jurisdictions over decades. Some have improved clarity, certainty and housing delivery. Others have added

¹² The Age, Sep 2023, [Melbourne housing crisis: The 120,000 homes that are ready to be built – but work hasn’t started](#)

¹³ Realestate.com.au, [‘Zombie projects’ – true extent of Sydney’s housing crisis laid bare - realestate.com.au](#)

¹⁴ UDIA National, Ahead of Federal Budget 2026: More enabling infrastructure critical to unlock housing supply, 2026. <https://udia.com.au/2026/04/ahead-of-federal-budget-2026-more-enabling-infrastructure-critical-to-unlock-housing-supply/>

complexity, created parallel pathways, and generated institutional churn without addressing the underlying constraints on housing supply.

Recognising the need to better evaluate reform outcomes, National Cabinet agreed that Planning Ministers would report twice yearly on progress implementing the National Planning Reform Blueprint measures. Despite this agreement, at the time of authoring this submission no updated reporting has been released since March 2025.

This highlights a broader challenge. Reform that is not grounded in measurable outcomes can create a short-term appearance of action while shifting complexity into later stages of the housing production process.

Table 2: Key differences between effective reform versus piecemeal reform

Effective reform	Piecemeal reform	Why it matters
Strategic planning	Ad hoc rezoning	Aligns housing, jobs, infrastructure, and risk management before assessment begins.
Infrastructure coordination	Unserviced land release	Housing is delivered faster when essential infrastructure and utilities are planned and funded upfront.
Risk-based pathways	More pathways bolted onto existing systems	Assessment effort is focused where it adds value, rather than creating parallel complexity. And more decisions are delegated to experts and assessed in accordance with strategic plans.
Outcome measurement	Process targets only	Measures completed homes, location, affordability, and infrastructure readiness, not just approvals.
Long-term certainty	Frequent policy shifts	Supports investment, community trust, and institutional confidence.
Post-consent delivery focus	Approval-only reform	Recognises that engineering, utilities, subdivision, titling, and certification affect delivery.

Case study 2: Auckland shows the value of strategic planning, not deregulation alone

Auckland is often cited as evidence that upzoning increases housing supply. The stronger lesson is that large-scale, plan-led reform can work when it is supported by a metropolitan planning framework and infrastructure alignment. Auckland's Unitary Plan enabled a substantial uplift in housing capacity, focused particularly around centres and transport corridors.

Auckland's experience supports reform, but not broadscale deregulation: it shows the value of strategic planning before rezoning, targeted density in accessible locations, infrastructure and transport alignment, and durable metropolitan governance.¹⁵

Planning systems have become more complex because governments increasingly rely on them to deliver a wider range of economic, social, and environmental objectives. Housing

¹⁵ Planning Institute of Australia, Auckland isn't a simple case of blanket upzoning, <https://www.planning.org.au/resource?resource=759>

supply, climate resilience, natural hazards, biodiversity, heritage, infrastructure coordination, liveability, and economic development all now interact within planning systems.

Contemporary planning systems are expected to manage and implement a range of objectives.



Figure 4: Range of policy objectives governments achieve through planning systems

Figure 4 demonstrates that planning systems are increasingly expected to deliver a broader range of economic, social, and environmental outcomes. While these objectives are legitimate and in the public interest, each objective introduces complexity, trade-offs, and decision-making requirements into the system.

The challenge for reform is therefore not simply to remove regulation, but **to determine which matters should be resolved strategically, which should be managed through clear standards, and which should remain subject to discretionary assessment.**

High-performing planning systems resolve as many issues as possible upstream, allowing development assessment to focus on genuinely site-specific matters. Where this distinction is unclear, planning systems repeatedly revisit the same issues at the project level, creating delays, uncertainty, and higher costs.

Case study 3: Queensland's State Assessment and Referral Agency

Queensland's State Assessment and Referral Agency (SARA) demonstrates how coordinated assessment frameworks can significantly improve development assessment processes, while maintaining rigorous oversight of planning interests. Established in 2013, SARA coordinated multiple state agency referral agencies into a single assessment pathway with single agency oversight. However, the key reform underpinning its success was the introduction of the State Development Assessment Provisions (SDAP) which created a consistent, transparent and publicly available set of assessment benchmarks for state interests, replacing fragmented agency-specific requirements, and reducing duplication, uncertainty and inconsistent decision-making. By providing clear criteria, limiting out-of-scope agency commentary and establishing stronger accountability for assessment timeframes, the reforms delivered a reported 20 per cent improvement in referral decision times¹⁶.

The Queensland experience demonstrates that productivity gains are achieved not simply by accelerating approvals, but by creating clear, codified assessment frameworks that improve coordination, reduce regulatory complexity and deliver more predictable outcomes.

2.3.1 Beyond reform

While regulatory settings matter, housing delivery will ultimately depend on the capability of the institutions and people responsible for implementing them. Focusing solely on reducing regulation or streamlining processes risks overlooking several critical constraints on housing supply.

- **Strong planning and delivery systems** are essential. The challenge facing Australia is that planning systems are operating under increasing pressure. Weakening capability, reducing resources, or removing necessary functions may reduce process, but it will not improve outcomes. Sustainable improvements in housing supply require stronger, more capable planning and delivery systems.
- **Capability and workforce capacity** matter. System performance is shaped not only by legislation and process, but also by workforce availability, organisational capability, leadership, culture, and incentives. Shortages of planners, engineers, infrastructure specialists, certifiers, and other professionals can constrain housing delivery at multiple points across the pipeline.
- **Housing delivery requires partnership**, not blame-shifting. Housing outcomes are shaped by decisions across all levels of government, infrastructure providers, industry, and delivery agencies. Persistent blame-shifting between institutions undermines trust, weakens collaboration, and distracts from solutions. Improving productivity requires shared accountability and a culture of partnership focused on outcomes.
- **Implementation is as important as reform.** Well-designed reforms can fail if institutions lack the capacity, resources, or authority to implement them effectively. Frequent legislative change can also create reform fatigue, reduce certainty, and divert

¹⁶ Queensland Government, 2025, [How is the planning framework performing?](#)

attention from delivery. The next phase of reform should place greater emphasis on implementation, continuous improvement and measuring success through housing outcomes rather than the volume of reforms announced.

Achieving better housing outcomes requires stronger institutions, better coordination across the housing delivery system, and sustained investment in the people responsible for planning and delivering Australia's future communities.

2.4 Limitations of the Commission's scope

PIA supports rigorous scrutiny of approval processes, zoning, land use controls, and infrastructure frameworks. These are important areas for evidence-based reform and can have a material influence on housing outcomes.

Planning is an important part of housing delivery, but it should not be treated as a proxy for housing supply. Housing delivery outcomes are shaped by a much wider set of factors, including infrastructure provision, utility connections, financing conditions, construction capacity, labour availability, market feasibility, and consumer demand.

2.4.1 It is a systems challenge



Figure 5: Housing Production Pipeline (adapted from Table 1.1 of the State of the Housing Report 2025)¹⁷

Figure 5 illustrates that of the 12 stages in the housing production pipeline, only four involve formal regulatory approvals, and only two relate directly to planning.

While these steps are essential enablers of housing supply, homes are ultimately delivered through the combined performance of the entire production system. Improving housing production therefore requires attention to the whole pipeline.

2.4.2 Effect of reform

The Reserve Bank of Australia has previously observed that regulation primarily affects the flow of new housing, while the vast majority of housing already exists as part of the

¹⁷ National Housing Supply and Affordability Council, *State of the Housing System 2025*, <https://nhsac.gov.au/reports-and-submissions/state-housing-system-2025>

established housing stock. Even substantial increases in construction activity can only add incrementally to total housing supply in any given year.¹⁸

This does not weaken the case for reform. Rather, it highlights the importance of directing reform efforts to the areas where it can have the greatest impact.

The strongest near-term housing supply gains are most likely to come from improving the conversion of existing planned, zoned, and approved capacity into completed homes. Over the longer term, gains will depend on a strong pipeline of strategic planning, infrastructure readiness, and development opportunities capable of supporting future growth.

Case study 4: Zoning premiums and land values are more complex than deregulation narratives suggest

A common claim in housing debates is that planning controls are the dominant reason housing is expensive. Planning can affect land values and feasibility, but the relationship is not one-dimensional. Land Supply Insight's review of Queensland land value claims argued that a widely cited 'zoning premium' estimate needed to account for the land and infrastructure costs required to convert rural land into serviced urban land, including roads, parks, drainage, undevelopable land, and trunk infrastructure. The lesson is not that zoning has no effect. It is that infrastructure provision, development costs, market expectations, sequencing, and feasibility also make up the cost of creating land. Effective reform must therefore improve the whole delivery system rather than assuming that deregulation alone will materially improve affordability.¹⁹

2.4.3 Impact of reform

A key limitation of this inquiry is timing. The Commission's terms of reference seeks to assess the impact of planning reforms introduced and enacted over recent months and years, yet most reforms have not been in place long enough for their effects to be measured through completed housing outcomes. Furthermore, planning reform has been ongoing for decades, so it is often difficult to judge the success of individual reforms.

Housing delivery occurs through a sequential pipeline. The time lag between regulatory change and completed homes is significant. Even after approval, housing projects can take months or years to progress through construction and into occupancy. As a result, reforms introduced in recent years remain largely within the delivery pipeline and cannot yet be fairly assessed on completions alone.

For this reason, it is important to distinguish between:

¹⁸ Reserve Bank of Australia, Submission to the Inquiry into Housing Affordability and Supply in Australia, 2021. <https://www.rba.gov.au/publications/submissions/housing-and-housing-finance/inquiry-into-housing-affordability-and-supply-in-australia/pdf/inquiry-into-housing-affordability-and-supply-in-australia.pdf>

¹⁹ Land Supply Insight, review of zoning premium estimates in Brisbane greenfield land markets. <https://landsupplyinsight.com.au/>

- **Pipeline indicators**, such as strategic planning, rezonings, housing capacity, approvals, and commencements, which measure whether the system is creating opportunities for housing delivery; and
- **Delivery indicators**, such as completions and occupancy, which measure whether those opportunities are ultimately translating into homes.

Housing delivery constraints can emerge at multiple points in the pipeline. The planning system may be successfully increasing approvals while housing completions remain constrained by infrastructure provision, construction capacity, labour shortages, financing conditions, or market feasibility.

PIA suggests the Commission undertake a more comprehensive assessment utilising a **housing delivery audit framework**. This would provide a structured methodology for identifying where housing capacity is being caught in the pipeline, and help focus future reform efforts on the parts of the delivery chain that are creating the greatest constraints on housing supply for different housing typologies in different locations.

3. Responding to inquiry questions

3.1 Approval processes

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

Governments should prioritise reforms that improve the conversion of planned capacity and approvals into completed homes. The fastest additional homes are often those already planned, zoned or approved that are delayed by infrastructure, utilities, post-consent requirements, subdivision, titling, or construction readiness.

Priority should be given to measures that deliver housing already in the pipeline, including:

- Direct catalytic infrastructure funding towards projects with approvals in place, prioritising investments that enable the greatest number of homes to proceed to construction.
- Establish post-consent concierge or case management services, similar to the NSW model, to coordinate agencies, utilities and approval conditions that can delay commencement.
- Expand pre-sale guarantee schemes, as implemented in NSW and South Australia, to improve project feasibility and access to finance.
- Defer or stage infrastructure contributions to align with project cashflow, particularly for projects already approved but not proceeding due to feasibility constraints.

- Support demonstration projects that de-risk new housing typologies to provide evidence and comparable market sales for valuers, financiers, and insurers.
- Introduce "use it or lose it" requirements for planning approvals to discourage land banking and speculative holding of approved development opportunities, which increase finance risk.

Case study 5: Enabling infrastructure gaps are stopping planned homes from being delivered

UDIA National's 2026 work reported that 40 per cent of land zoned and approved for new housing is constrained by environmental or infrastructure barriers, including trunk water, sewer, power, and road connections.

- Greater Sydney Megaregion – 34% of surveyed land is supply constrained.
- South East Queensland – 44% constrained
- Greater Melbourne – 16% constrained
- Greater Perth – 30% constrained
- Greater Adelaide – 31% constrained

This demonstrates why approval reform must be linked to infrastructure delivery. Releasing or zoning land without infrastructure readiness creates paper supply. It does not necessarily increase housing supply.²⁰

Longer-term reforms should focus on creating a more predictable and efficient housing delivery system by:

- Investing in up-to-date, spatially explicit strategic plans with clear housing targets for well-located areas.
- Aligning infrastructure funding, sequencing, and accountability with strategic plans.
- Using zoning and development standards to implement strategic plans and enable well-designed density in appropriate locations.
- Expanding risk-based assessment pathways, including deemed-to-satisfy and compliant development pathways, for low-risk housing consistent with strategic plans.
- Better integrating referral agencies, utilities, and infrastructure providers into the approval process so approvals are genuinely construction ready.
- Standardising digital lodgment, data collection and reporting to enable real-time identification of bottlenecks.
- Resourcing planning, engineering, certification, and utility functions to ensure reforms can be effectively implemented.

Case study 6: The Samuel Review and the productivity benefits of strategic planning

The 2020 Independent Review of the Environment Protection and Biodiversity Conservation (EPBC) Act, led by Professor Graeme Samuel AC, identified a fundamental issue in Australia's

²⁰ UDIA National, Ahead of Federal Budget 2026: More enabling infrastructure critical to unlock housing supply, 2026. <https://udia.com.au/2026/04/ahead-of-federal-budget-2026-more-enabling-infrastructure-critical-to-unlock-housing-supply/>

approach to managing development and environmental outcomes: an over-reliance on project-by-project assessment rather than strategic planning.

The Review found that the existing system produces "piecemeal decisions" and lacks the comprehensive planning needed to manage cumulative impacts, coordinate investment, and provide certainty for development. The Review recommended a "fundamental shift, from a transaction-based approach to one centred on effective and adaptive planning".

This finding has direct relevance to Australia's productivity challenge. Where strategic planning is absent, governments, businesses and communities face higher costs from duplicated assessment processes, fragmented decision-making, infrastructure misalignment, and increased investment uncertainty. As the Review observed, governments should "shift their focus from individual project approvals to a focus on clear outcomes, integrated into national and regional plans". This approach enables decision-making at the appropriate scale, improves certainty for investment, reduces regulatory friction, and supports more efficient delivery of housing, infrastructure and economic development.

The National Housing Supply and Affordability Council's Housing Outcomes Framework provides a useful discipline for reform. The objective of any reform should be to deliver measurable improvements in housing outcomes: more homes in the right places, improved affordability, housing diversity, fit-for-purpose dwellings, homelessness reduction, and stronger system performance.²¹

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

The most onerous parts of the approvals process are often those where strategic decisions have not been resolved upfront. When planning schemes are out of date, infrastructure requirements, or delivery timeframes are uncertain, referral requirements overlap or agency positions are unclear, development assessment becomes the forum for resolving issues that should have been settled through strategic planning. This increases cost, delay, and conflict.

The key reform objective should be to move as many decisions as possible upstream. Effective strategic planning should not only identify suitable locations for growth but also ensure there is a realistic pathway to delivery. This includes understanding infrastructure requirements, market demand, development feasibility, environmental constraints, and community expectations before development application are lodged. Where these issues have been properly addressed, lower-risk development can proceed through code or complying pathways. Assessment resources can be focused on proposals that are

²¹ National Housing Supply and Affordability Council, State of the Housing System 2025. <https://nhsac.gov.au/reports-and-submissions/state-housing-system-2025>

complex, involve significant impacts, are located in hazard-prone areas, or depart materially from established planning frameworks.

Increasingly, the most significant delays are not found within planning approval processes themselves. In many cases, constraints present after planning approval has been granted. Engineering approvals, operational works approvals, utility connections, water and sewer servicing, road access, stormwater infrastructure, subdivision certification, development contribution arrangements, construction certification, occupation certificates, and title registration can all delay the delivery of approved housing.

Development assessment works best when it is supported by strong strategic planning, coordinated infrastructure delivery, integrated agencies, and clear regulatory pathways. When these foundations are in place, approvals can be streamlined with confidence. When they are absent, complexity and delay are often transferred into later stages of the process.

In housing delivery, as in many areas of public policy, the principle remains true: **decisions made early are usually the cheapest, fastest, and most effective.** Resolving issues upfront through strategic planning is almost always more efficient than attempting to resolve them project by project through the development assessment process (as found in the Samuels Review of EPBC).

Case study 7: NSW Post Consent Support Service

The NSW Development Coordination Authority has established a Post Consent Support Service to assist residential projects facing delays after consent. The service provides targeted assistance to eligible developments with valid consent for more than 50 homes, or more than 20 social and affordable homes, where delays involve a state agency, council, or utility provider. This reform is significant because it acknowledges that housing delivery does not end at planning approval. It focuses attention on the coordination gaps, unclear requirements and scheduling problems that can stop approved homes from progressing to construction and occupation.²²

3.1.3 Which recent reforms to approvals have been most and least effective?

The most effective reforms are plan-led, risk-based, infrastructure-aware, and durable. They simplify decision-making because the strategic work has already been done. They provide clear rules, align housing growth with infrastructure, and focus discretion where it is genuinely required. The least effective reforms create new pathways without resolving

²² NSW Department of Planning, Housing and Infrastructure, Post Consent Support Service, 2026. <https://www.planning.nsw.gov.au/policy-and-legislation/housing/development-coordination-authority/post-consent-support-service>

strategic planning, infrastructure, referral, or post-consent barriers. These may increase approval numbers but can shift risk and delay further down the pipeline.

To measure the effectiveness of the wave of significant planning reform completed and underway, National Cabinet agreed that Planning Ministers would report twice yearly on progress implementing the National Planning Reform Blueprint measures.

Table 3 summarizes our suggested criteria for determining if reform has been successful, and whether it is likely to deliver on the Housing Supply Outcomes, as per NHSAC.

Table 3: Evaluation criterion for good reform

Evaluation criterion	What good reform looks like	PIA's Built on Planning Case Study example
Plan-led	Reform is grounded in an adopted strategic plan, spatial vision, or evidence-based growth strategy.	Green Square, Inner West Housing Plan, Postcode 3000
Risk-based	Low-risk proposals are streamlined, decisions are delegated to experts to be assessed against approved strategic plans, and discretionary assessment is focused on material impacts.	WA R-Codes
Infrastructure-aware	Housing capacity is linked to infrastructure planning, sequencing, and funding.	Green Square, South Australian Land Supply Dashboard
Integrated	Planning, infrastructure, referral, and delivery agencies work together.	Green Square, SA Land Supply Dashboard, NSW DCA
Locally responsive	Reform responds to local constraints and opportunities rather than applying a one-size-fits-all model.	Inner West Housing Plan
Outcome-focused	Success is measured by completions, housing diversity, affordability, and liveability.	Postcode 3000, Green Square
Transparent	Data and monitoring show the pipeline and bottlenecks.	SA Land Supply Dashboard
Durable	Reform creates certainty rather than another temporary or parallel process.	WA R-Codes, Postcode 3000

PIA's *Built on Planning* case studies²³ demonstrate that good outcomes are delivered through planning systems that are strategic, evidence-based, and implementation-focused.

Green Square in Sydney demonstrates long-term precinct planning and infrastructure coordination; Postcode 3000 in Melbourne demonstrates the power of a clear policy objective to repopulate the central city; the Inner West Housing Plan in Sydney demonstrates how locally responsive strategic planning can deliver materially more homes than broadbrush approaches; WA R-Codes demonstrate the value of durable, codified

²³ Planning Institute of Australia, Built on Planning series of case studies <https://planning.org.au/pia/news-resources/latest-news-media.aspx?tag=built%20on%20planning>

standards; and the South Australian Land Supply Dashboard demonstrates the need for transparent land supply monitoring.

3.2 Availability and use of land for housing

3.2.1 Which zoning and land-use controls most limit new housing supply? What benefits should be considered?

Zoning and land-use controls are among the primary tools governments have to enable housing growth. Their effectiveness depends on whether they are aligned with strategic planning objectives and support additional housing in places with access to jobs, transport, infrastructure, and services.

Planning controls are the mechanism through which governments implement policy choices about housing growth, employment lands, hazards, environment, heritage, design quality, public realm, urban heat, traffic, and community amenity. The more relevant question is whether controls are purposeful, proportionate, evidence-based and aligned with government objectives.

Well-designed controls can facilitate housing supply by providing certainty to communities, governments, and investors. Poorly designed controls can adversely impact supply, increase costs and create unnecessary complexity. Governments should therefore focus on regularly reviewing and updating planning frameworks through strategic planning processes, rather than relying on ad hoc site-by-site adjustments or repeated exceptions to established policy settings. Where strategic planning has clearly identified locations for growth and infrastructure investment, planning controls should enable housing delivery.

Table 4: The purpose and best practice application of planning tools

Planning tool	Housing-enabling purpose	Best-practice application
Zoning and density controls	Direct growth to suitable locations.	Enable more density around centres, transport corridors, and employment areas through clear strategic planning.
Minimum lot sizes	Support housing diversity and efficient land use.	Allow smaller lots and more innovative forms where infrastructure and amenity outcomes can be maintained.
Car parking provisions	Balance housing delivery, transport choice, and affordability.	Reduce or remove minimums in areas with strong public transport, walking and cycling access. ²⁴
Building height controls	Shape growth and provide certainty.	Align heights with strategic objectives, infrastructure capacity, and desired urban outcomes.

²⁴ Planning Institute of Australia, Parking Reform Is Part of the Solution. Good Planning Is the Key
https://www.planning.org.au/pia/news-resources/articles/latest-updates/NATIONAL/Response_to_grattan_institute.aspx

Character and heritage controls	Protect valued places while accommodating growth.	Clearly identify places where protection is warranted and places where growth should be prioritised.
Design and siting standards	Support quality, liveability, and acceptance.	Use performance-based standards that achieve amenity while allowing innovation.
Natural hazard overlays	Improve safety and resilience.	Direct housing away from unacceptable flood, bushfire and coastal risks while enabling growth in safe locations.
Infrastructure sequencing provisions	Ensure housing is serviced.	Coordinate land release and infill growth with infrastructure funding and delivery.
Housing diversity provisions	Increase choice and affordability.	Facilitate terraces, townhouses, dual occupancies, secondary dwellings, and small apartments in appropriate locations.

Protective controls can also deliver significant economic and community benefits. Natural hazard overlays, for example, are not simply barriers to housing supply. They are risk management tools. Flood, bushfire, coastal erosion, heat, and other climate-related hazards are becoming more material as exposure increases. Approving more dwellings in unsafe locations may increase housing numbers in the short term, but results in costs and risk transfer to future households, insurers, governments, and taxpayers.

Importantly, risk is not static. It is not enough to avoid development only where existing hazard maps identify current exposure. As population and housing densities increase, the consequences of a hazard event also increase, meaning the level of risk that may be acceptable for a small number of dwellings may not be acceptable for hundreds or thousands of homes. Many hazard maps also rely on historical data or outdated climate assumptions, and may not adequately reflect future flood, bushfire, coastal or heat risk. This is why strategic planning matters. Up-to-date natural hazard information should be developed as a core input to strategic plans, allowing governments to test different growth scenarios and identify where housing growth can be accommodated safely, affordably, and sustainably over the long term.

Insurance and disaster risk evidence supports this approach. The Insurance Council of Australia has argued that stronger land-use planning is one of the most effective ways to reduce future disaster losses, and the Australian Government Actuary has highlighted continuing insurance affordability pressures in high-risk locations.^{25 26}

Case study 8: Flood-prone development in QLD and the risk of short-term supply thinking

²⁵ Insurance Council of Australia, Planning for a resilient future. https://insurancecouncil.com.au/wp-content/uploads/2022/02/ICA_Planning-for-a-resilient-future_report.pdf

²⁶ Australian Government Actuary, Home insurance affordability update. <https://aga.gov.au/publications/home-insurance-affordability-update>

The Breakwater development on the Gold Coast, QLD comprising 2,500 new homes has been cited in Queensland debates as an example of the tension between housing delivery and flood risk. The issue is not whether new housing is needed. It is whether fast-track pathways are designed to distinguish between low-risk, plan-consistent housing and projects where hazard, evacuation and long-term resilience questions remain material. Housing supply reforms should not create incentives to shift future disaster costs to households, insurers, or governments.²⁷

3.2.2 How important are land release arrangements, subdivision, and titling?

Land release is important, but its effect depends on whether land is genuinely housing ready. Releasing more land without infrastructure, servicing, subdivision capacity, and titling pathways creates supply on paper rather than completed homes. This is particularly important in growth areas where land can be zoned or included in a settlement boundary decades before trunk infrastructure, roads, schools, utilities, and community facilities are funded.

The most useful land release systems are plan-led and infrastructure-linked. They identify where growth should occur, what infrastructure is needed, who will fund it, when it will be delivered, and what milestones must be met before subdivision and titling can proceed. They also maintain a rolling pipeline of development-ready land across short, medium, and long-term horizons.

Subdivision and titling should be treated as part of the housing production system, not an administrative afterthought. Where subdivision certification, survey requirements, utility clearances, road dedication, asset handover, and title registration are slow or poorly coordinated, approved housing can remain undelivered. Governments should integrate these processes, set service standards, invest in digital integration, and create escalation pathways for projects delayed by agency coordination failures.

3.3 Housing-enabling infrastructure

Housing-enabling infrastructure is the area of this inquiry with the greatest potential to improve short term housing supply outcomes. The relationship between infrastructure planning, infrastructure funding and housing delivery is more than a technical question about developer contributions. **It is a structural question about how Australia finances growth: who pays, when they pay, and whether infrastructure investment enables or constrains the homes the nation needs.**

Australia's prevailing infrastructure funding model is too often reactive. Strategic planning can identify growth capacity, but the financing and delivery mechanisms for trunk infrastructure may not be in place early enough to unlock that capacity. Councils and state

²⁷ ABC, Backlash after Queensland Government approves new homes on flood plain <https://www.abc.net.au/news/2024-09-24/robina-flood-plain-housing-development-council-backlash-qld/104385414>

agencies often face limits on their ability to forward fund infrastructure ahead of development, while developers can face uncertain charges, works-in-kind requirements, and delayed utility connections. The result is a timing problem: infrastructure arrives late, projects stall, and uncertainty is priced into land and housing costs.

This problem is not theoretical. HIA National said “A lack of shovel-ready land and associated infrastructure has been by far the number one constraint on home building over the last few decades, even with more recent material price shocks and acute labour shortages.”²⁸

The inquiry should therefore recommend a genuine reset in how infrastructure investment is planned, funded, and sequenced with housing growth. Good strategic planning demonstrates demand, identifies infrastructure requirements, and creates the evidence base for investment. But it must be backed by funding agreements, delivery accountability and governance that can bring infrastructure online before it is the bottleneck.

3.3.1 How do development contributions affect feasibility and supply?

Development contributions are a necessary part of infrastructure funding. New housing creates demand for trunk infrastructure, local roads, drainage, parks, community facilities, and other services. If these costs are not funded, they fall on existing communities or future governments. If contributions are poorly designed, unpredictable, or excessive, they can undermine feasibility and delay supply.

Contributions should be clear, predictable, proportionate, indexed transparently, linked to infrastructure plans, and spent on infrastructure that supports growth. They should not become a substitute for broader public investment where infrastructure provides wider network benefits.

For infill housing, contributions need particular care. Infill can make more efficient use of existing infrastructure, but additional capacity may be required in schools, parks, drainage, water, transport, and community facilities. Charges that are too blunt can discourage the very infill outcomes that reduce long-term infrastructure costs. This is why contributions reform should be connected to spatial planning and infrastructure cost evidence.

PIA recommends that contributions systems be designed around six principles:

- **Proportionality:** charges should reflect the demand created and the infrastructure required.
- **Predictability:** industry and communities should understand likely costs early.
- **Transparency:** infrastructure plans, schedules and expenditure should be public.
- **Feasibility:** charges should be tested against project viability and housing targets.

²⁸ HIA National, 11 June 2026 Media release, <https://hia.com.au/our-industry/newsroom/economic-research-and-forecasting/2026/06/infrastructure-remains-the-barrier-to-increased-housing-supply>

- **Delivery:** contributions should be linked to funded and timed infrastructure delivery.
- **Fairness:** broader public benefits should be supported by public funding, not placed entirely on new housing.

3.3.2 What other regulations relating to housing-enabling infrastructure should be a priority for reform?

Infrastructure is increasingly a binding constraint on housing supply

Evidence from across Australia suggests that infrastructure delivery, rather than planning approvals, is becoming a primary constraint on housing supply. The National Growth Areas Alliance estimates that more than 82,500 approved homes on development-ready land cannot proceed because enabling infrastructure has not been funded.²⁹ Similarly, Queensland's Residential Activation Fund highlights the scale of unmet demand for housing-enabling infrastructure.

Case Study 9: Queensland Residential Activation Fund

The Queensland Government's \$2 billion Residential Activation Fund (RAF) demonstrates the critical role that infrastructure funding plays in delivering housing supply. The fund was established to accelerate the delivery of enabling trunk infrastructure such as roads, water, sewerage, stormwater, and power infrastructure that often delays approved housing developments. The overwhelming response to the program highlights the scale of unmet infrastructure demand across Queensland. The **\$500 million Round 1 received \$1.79 billion worth of funding requests for approved housing**, making it oversubscribed by almost **3.6 times**. The success of the program demonstrates that housing supply is often constrained by the funding and delivery of essential infrastructure. By targeting these bottlenecks, the RAF is expected to unlock land capable of delivering tens of thousands of additional homes across Queensland, providing a practical example of how strategic infrastructure investment can accelerate housing delivery at scale.³⁰

The challenge is sequencing

The fundamental issue is that governments often decide where growth should occur before there is certainty about how the supporting infrastructure will be funded and delivered. Strategic plans, rezonings and housing targets can create significant development capacity, yet delivery stalls when transport, water, sewerage, power, and community infrastructure providers are unable to align investment with growth decisions.

Evidence from NSW shows that the Housing and Productivity Contribution (HPC) had collected just **\$39 million by 30 June 2025**, compared with forecasts of around **\$1.5 billion over four years**. Industry groups have argued that the shortfall reflects a weaker-than-expected feasible development pipeline, with many approved housing projects not

²⁹ National Growth Areas Alliance (2025) *Beyond Bricks: Delivering the housing we need sooner in Australia's Growth Areas*, November 2025.

³⁰ Queensland Government Media Releases, <https://statements.qld.gov.au/statements/102742>

progressing to construction. As the contribution is payable when projects proceed, revenue cannot be generated from projects that do not commence.³¹

Infrastructure delivery is fragmented across multiple agencies

Housing delivery relies on coordination between planning authorities, councils, transport agencies, water utilities, energy providers, referral agencies, certifiers, and land titles offices. Each operates under different legislation, funding arrangements, timeframes and risk settings. Delays often occur not because of a single regulatory failure, but because no organisation is accountable for coordinating delivery across the system.

Case study 10: Hunter Region development-ready land locked by infrastructure gaps

The Hunter Joint Organisation of Councils 2024-25 advocacy indicated development ready land across the Hunter region was capable of delivering around 60,000 homes with estimated \$20 billion in economic activity stalled by unfunded road and utility upgrades. Its advocacy has argued that targeted infrastructure investment could unlock substantial housing and employment outcomes across the region, including examples where thousands of lots are delayed by specific road or utility constraints. This case is powerful because it isolates the variable: planning capacity may exist, but homes cannot be delivered until the enabling infrastructure is funded and sequenced.³²

Reform should focus on infrastructure certainty

The key policy challenge is not whether sufficient land is being zoned for housing, but whether governments have credible mechanisms to fund and deliver the infrastructure required to support that growth.

In response, PIA recommends that the Commission consider the following:

- **Establish Housing-Enabling Infrastructure Compacts** that align Commonwealth, state and local funding with housing targets, infrastructure readiness, and delivery milestones.

This could include:

- Mandating infrastructure delivery plans as a condition of strategic planning decisions. No growth area designation should take effect without certified Infrastructure Delivery Plans that specify trunk infrastructure requirements, costs, potential funding sources and delivery agency responsibilities and sequencing commitments.

³¹ NSW Treasury (2025) *Housing and Productivity Fund Financial Report 2024-25* cited in Property Council of Australia (December 2025), *Housing Fund Gap Highlights Pipeline Feasibility Hurdle*.

³² Hunter Joint Organisation, *Housing Enabling Infrastructure Case Studies, 2024-25 Advocacy*. <https://hunterjo.nsw.gov.au/enabling-infrastructure-case-studies/>

- Introducing a nationally consistent rezoning value capture policy. The land value uplift created by strategic planning decisions is the most logical and equitable source of forward infrastructure funding. A mandatory contribution, similar to the ACT’s Lease Variation Charge, triggered at the point of rezoning would align with the timing of revenue collection the moment of the value creation, enabling earlier infrastructure investment.
- Establishing Commonwealth housing infrastructure financing facility structured as a low interest loan fund to allow governments and infrastructure agencies to forward deliver trunk infrastructure in designated priority growth areas.
- Expanding the role of delivery authorities, such as state development corporations and urban development agencies, in priority housing growth areas. Equipped with land assembly powers, these authorities can overcome fragmented land ownership, coordinate infrastructure delivery, capture a share of land value uplift, and bring serviced land to market more efficiently.

The National Planning Reform Blueprint has rightly focused on improving the efficiency and transparency of developer contributions systems. However, the next phase of reform should focus on the sequencing challenge: ensuring that when governments identify locations for growth, there is a credible pathway for the infrastructure required to convert planned capacity into completed homes.

4. Features of a best-practice housing regulatory system

A best-practice housing regulatory system should be judged by the homes and places it delivers. It should enable more homes while managing the externalities that justify regulation in the first place. Its core features are set out below.

Table 5: Features of a best practice housing regulatory system

Feature	What it means
Strategic planning-led	Growth is planned, not improvised. Strategic plans identify where housing can best be delivered, what infrastructure is needed and how it can be delivered, what risks must be managed and what outcomes are expected.
Infrastructure coordinated	Land use and infrastructure are sequenced together. Housing capacity is connected to funded transport, water, power, education, health, recreation and open space and social and community infrastructure.
Risk-based	Assessment effort matches risk and complexity. Proposals consistent with strategic plans move quickly through delegation to experts; higher-risk proposals not in accordance with strategic plans receive proportionate scrutiny.
Integrated	Planning, building, referrals, utilities, and post-consent approvals work together rather than in silos through new agency structures and integrated policy.

Enabling culture	Institutions are empowered to solve problems, facilitate good development, and focus on delivery while maintaining probity and public value.
Outcome-focused	Success is measured by completed homes in well-planned communities, not simply approvals or statutory timeframes.
Evidence-driven	Reform is based on data about system performance, bottlenecks, and outcomes rather than anecdotes or assumptions.
Digitally enabled	Digital systems and data reduces friction, improve transparency, and allow real-time tracking of approvals, conditions, and delivery.
Stable and certain	Communities, councils, investors, and industry can plan with confidence because settings are clear and durable.
Professionally resourced	Planning systems have skilled people, capability and institutional capacity required to deliver reform and drive implementation.
Continuously improving	The system evaluates reforms and adjusts settings based on evidenced where outcomes are not delivered.

Case Study 11: Land Supply Dashboard, South Australia

One of the most effective recent reforms has not been a change to approval pathways or zoning controls, but a significant improvement in planning data and transparency. Prior to 2024, South Australia's land supply information was primarily reported through lengthy PDF reports that were often outdated by the time they were published, limiting the ability of governments, infrastructure agencies and industry to respond to emerging housing supply challenges.

The dashboard consolidated planning, land supply and infrastructure data into a single evidence base, improving transparency and decision-making across government, infrastructure agencies and industry. Importantly, it revealed that infrastructure constraints, rather than planning approvals, were preventing housing delivery in many growth areas.

The evidence generated through the dashboard supported discussions that contributed to approximately \$1.2 billion in water and wastewater infrastructure investment to unlock housing growth. The reform demonstrates that better data can significantly improve housing delivery by identifying bottlenecks, coordinating infrastructure investment and focusing reform efforts on the constraints that matter most.³³

4.1 Enabling strategic planning success at scale

Strategic planning provides the foundation for housing delivery by identifying where growth can most efficiently and effectively occur, what infrastructure is required to support it and how competing economic, environmental and community objectives can be balanced to achieve growth well. A best-practice housing system is strategic planning-led because it provides certainty about future growth, coordinates infrastructure investment and reduces development risk.

³³ Planning Institute of Australia, SA Land Supply Dashboard <https://planning.org.au/pia/news-resources/articles/latest-updates/NATIONAL/Built-on-Planning/land-supply-dashboard.aspx>

However, strategic planning can be highly contested, resource-intensive, and time-consuming. Without clear objectives, adequate resourcing and strong implementation pathways, strategic plans risk becoming aspirational documents rather than effective delivery tools. Governments should therefore focus on creating the conditions that enable strategic planning to deliver optimal housing outcomes.

To maximise housing outcomes, governments should establish the following enabling conditions:

Table 6: Enabling conditions for effective strategic planning

Enabler	Why it matters
Dedicated funding and resources	Strategic planning requires investment in technical investigations, infrastructure planning, community engagement, and inter-agency coordination. Under-resourced planning often leads to delays, weaker outcomes, and increased contestability.
Clear targets, objectives and outcomes	Strategic plans should be required to deliver explicit housing supply outcomes, housing capacity and infrastructure outcomes that can be monitored and reported on.
Defined timeframes and milestones	Strategic planning processes should operate within clear deadlines to maintain momentum, reduce uncertainty, and provide confidence to communities, investors, and infrastructure providers.
Strong implementation pathways	Strategic plans should be directly linked to planning controls, infrastructure programs, funding commitments, and delivery responsibilities.
Fast-tracked statutory implementation	Once a strategic plan has been endorsed, subsequent amendments to planning schemes, zoning controls and other statutory instruments should be streamlined to avoid re-litigating strategic decisions.
Targeted community engagement	Engagement should focus on shaping strategic choices and testing options, rather than creating ongoing uncertainty about agreed outcomes.
Monitoring and accountability	Governments should publicly report on housing delivery, infrastructure provision, and other agreed outcomes to ensure plans are achieving their intended objectives.

Case Study 12: Inner West Housing Plan, NSW

The Inner West Housing Plan demonstrates how strategic planning can deliver more housing than a broadscale rezoning approach while achieving better local outcomes. In response to NSW Government housing reforms, Inner West Council undertook a strategic planning process, combining technical studies, infrastructure planning, urban design analysis, and community engagement to identify where additional housing could be accommodated across the local area. **The resulting plan proposes approximately 35,000 new homes over 15 years, significantly exceeding the housing uplift anticipated under the State Government's reforms.**

Rather than applying uniform controls across all locations, the plan directs growth to well-served centres, transport hubs and main streets while protecting heritage areas and planning for

supporting infrastructure. By resolving key tradeoffs upfront, the strategic planning process provides greater certainty for communities, government, and industry. The Inner West example demonstrates that good strategic planning can not only accommodate substantial housing growth but, when properly resourced and implemented, can exceed housing targets while delivering more coordinated and place-responsive outcomes.³⁴

Strategic planning determines where higher densities are most appropriate by understanding the characteristics of different locations. Some areas have features that attract density, such as access to jobs, transport and services. Others have constraints that can limit development.

One of the first steps in strategic planning is understanding and mapping the area's attractors and detractors and weighing the trade-offs. For example, an area close to public transport may be highly suitable for density because of its access to jobs and transport, but significant flood risk may limit whether increased density can safely occur.

By assessing these factors together, strategic planning helps direct appropriate densities to the locations best able to accommodate it and ensures housing targets are based on realistic, deliverable capacity. Table 7 summarises some common attractors and detractors considered in a typical strategic planning process for allocating density, noting it is non-exhaustive as many areas have unique characteristics. The table illustrates why strategic planning is an important tool for effective housing supply as a mechanism for considering the long-term costs and benefits of growth.

Table 7: Summary of common spatial attractors and detractors of density

Consideration	Strategic Planning Question	Implication for Density
Public and active transport	Is the area within walking distance of high-frequency transport?	Attractor: Supports higher densities with lower transport infrastructure costs and reduced car dependency.
Centres and services	Is the area close to, or does it contain, employment, retail, education and services?	Attractor: Supports higher densities where residents can efficiently access jobs and services. However housing growth should not displace key employment uses.
Parks and open space	Can additional residents in the area access quality public open space?	Attractor: Supports higher densities while maintaining liveability and wellbeing outcomes.
Topography	Does the area contain steep slopes or significant engineering constraints?	Detractor: Increases development costs and may reduce achievable housing yield.
Natural hazards	Is the area exposed to flooding, bushfire, coastal hazards or other natural risks?	Detractor: May constrain or preclude density where risks are intolerable or mitigation costs are significant.

³⁴ Planning Institute of Australia, Inner West Housing Plan, <https://www.planning.org.au/pia/news-resources/articles/latest-updates/NATIONAL/Built-on-Planning/inner-west-housing-plan.aspx?name=inner-west-housing-plan>

Heritage	Does the area contain significant heritage places?	Detractor: May constrain redevelopment opportunities and require alternative approaches to increasing housing supply.
Lot configuration	Are lot sizes and ownership patterns conducive to redevelopment across the area?	Attractor where redevelopment can occur efficiently. Detractor where ownership and lots are fragmented or constrained.
Development feasibility	Is redevelopment commercially viable given land values, construction costs and market demand?	Determines the propensity for housing capacity to convert into housing supply, and the likely timing of delivery.
Infrastructure capacity	Can existing transport, water, sewer, drainage, parks and community infrastructure accommodate growth in the area?	Attractor where existing infrastructure is sufficient or where upgrades have been committed, funded and sequenced with growth. Detractor where infrastructure is at capacity and upgrades are unfunded, unplanned or uncertain which constrains scale and timing of density.

4.2 Recommendations to achieve best-practice

PIA makes the following seven recommendations to this inquiry:

1. **Create a National Housing Evidence Framework** that tracks the pipeline from strategic capacity, zoned capacity, and approvals through to construction, completion, and occupation.
2. **Establish a Future Homes Planning Fund** to support strategic planning, housing capacity analysis, infrastructure sequencing, and precinct planning in well-located areas.
3. **Adopt a National Zoning and Infill Best Practice Model** that supports density done well in well-located areas, including minimum densities in certain locations, reduced car parking rates near public or active transport, and clear contemporary design standards for different types of homes.
4. **Create a Post-Approval Delivery Program** to streamline post-approval processes and reduce delays in conditions, utility connections, engineering approvals, subdivision, titling, and construction readiness.
5. **Establish Housing-Enabling Infrastructure Compacts** that align Commonwealth, state and local funding with housing targets, infrastructure readiness, and delivery milestones.
6. **Prepare a Planning Workforce and Capability Plan** to address shortages in planners, engineers, certifiers, and related professionals needed to move homes through the housing production pipeline whilst ensuring they are safe, well-built and fit-for-purpose.
7. **Develop a Reform Evaluation Framework** that measures what matters, tracking reforms against their outcomes such as housing completions, location, infrastructure readiness, affordability, resilience, and community outcomes.

5. Conclusion

Australia needs more homes. It needs those homes to be in places that support productivity, affordability, resilience, and liveability. The Productivity Commission inquiry is an opportunity to move toward a more useful question to improve housing supply regulations: how can the housing production system deliver more built homes, in the right places, with the infrastructure and services communities need?

Planning systems should continue to be improved. They should be clearer about expectations, faster where risk is low, better integrated, digitally enabled and more focused on housing outcomes. But planning should not be scapegoated for constraints that sit elsewhere in the system. Infrastructure, finance, construction costs, workforce shortages, utilities, subdivision and titling all influence whether approved homes are actually built.

The most effective reform agenda is therefore pro-planning and pro-reform. It invests in strong upfront strategic planning, removes unnecessary friction, matches assessment to risk, integrates approvals, coordinates infrastructure and measures results honestly. It recognises that good planning is one of the conditions required to deliver growth well.

PIA urges the Productivity Commission to recommend reforms that address both the immediate barriers to housing delivery and the longer-term foundations of housing supply.

Enabling More Homes Through Better Planning



Planning Institute Australia acknowledges the Traditional Owners of Country throughout Australia and pays respect to their cultures and Elders past and present.

Connect with us

W: planning.org.au

E: membership@planning.org.au



Planning Institute
of Australia



@pia_planning



@planningaustralia



@pia_planning

National Office

Unit 16, Level 3 Engineering House
11 National Circuit, BARTON ACT 2600

ABN: 34 151 601 937