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Housing Supply Regulation Inquiry
Productivity Commission
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Submission to Australian Government Productivity Commission - Housing Supply Regulation Inquiry

The City of Adelaide (CoA) welcomes the opportunity to make a submission in support of increased housing supply to the Productivity Commission's Housing Supply Regulation Inquiry (the Inquiry). Enclosed is our submission for your consideration.

We welcome the Inquiry as a further mechanism to drive housing supply and population growth within the CoA. In addition to the significant development program, which has seen the CoA and its partners deliver 158 dwellings at 88 O'Connell, the soon to be completed Market Square development and future developments as part of the Tapangka and Flinders East sites are set to deliver even more, and the city's position as the fastest growing LGA population in South Australia can be sustained.

Our housing and population objectives are further supported by work through our Code Amendment Program in consultation with the Department for Housing and Urban Development and the CoA [Adaptive Reuse City Housing Initiative \(ARCHI\)](#) supported and co-funded by the State Government through the Capital City Committee.

The South Australian Government through its Greater Adelaide Regional Plan (the Plan) aims to deliver 315,000 new homes over the next 30 years. The Plan acknowledges that Adelaide city is a State Strategic Infill Area.

The CoA has an ambitious target to grow the residential population to 50,000 by 2036. This is reflected in the City of Adelaide *City Plan – Adelaide 2036* and *Housing Strategy – Investing in our Housing Future*.

The current median prices for dwellings in the CoA include:

- Median dwelling \$1.585M Adelaide (suburb) sourced from the Metropolitan Median House Sales Q1 2026, Data SA South Australian Government Data Directory.
- Median apartment prices are at approximately \$605,000, however these figures increase to \$1.16M for a 3 bedroom apartment (Proptack data).
- Student Accommodation (individual studio apartments) in the Adelaide CBD has a unit median of \$565,000. (Property.com.au)

The Inquiry is a welcome opportunity to improve the investment environment and deliver on the community and industry's shared vision for more housing.

In Adelaide, the primary constraints are not zoning capacity or planning approvals, but;

- project feasibility,
- workforce availability,
- infrastructure capacity, and;
- market demand.

We support the investigation of these matters.

CoA also notes that the housing supply challenges mirror those in employment land supply. Any improvement in both sectors would support an attractive and functioning investment environment for employment land as well.

This submission responds to the scope and terms of the Inquiry, which seek to assess how regulatory systems affect housing supply across jurisdictions, identify best practices, and recommend reforms to get more homes built quickly across the following matters:

1. Approval processes (e.g., development, building, and post-approvals, including any barriers to the uptake of more productive methods of construction)
2. Availability and use of land for housing (e.g., land release, zoning, land use controls)
3. Processes and frameworks to deliver new and utilise existing housing infrastructure (e.g., growth infrastructure planning, developer contributions model).

The details of our submission are outlined in the attachment to this letter. CoA welcomes a national approach to housing supply regulation and again thanks the Inquiry for the opportunity to make a submission.

For more information about this submission, please contact Colleen McDonnell, Manager City Planning & Heritage on [Redacted] or [Redacted]

Regards



Ilia Houridis
Director, City Shaping

Att. 1. Supporting detail for recommendations

Attachment 1 – City of Adelaide’s Submission to Australian Government Productivity Commission - Housing Supply Regulation Inquiry

Summary of submission:

In summary, the following recommendations are made:

1. Review the regulatory framework to support the use, finance and transportation of modern methods of construction.
2. Review legislation to ensure developers have clear information on infrastructure costs at the time of land sales and planning applications.
3. Review legislation to ensure councils have access to capital works programs to coordinate the public realm to provide for new communities.
4. Investigate the creation of National Apartment Design Standards to provide certainty and expedited approval pathways for developers to deliver consistent liveable apartment outcomes.
5. Improve consistency across the National Construction Code with streamlined and relevant local variances
6. Update national building standards to encourage adaptable floorplate design to encourage buildings that can be converted between uses (e.g., office, residential, mixed-use) by:
 - a. Incorporating adaptability principles into the National Construction Code.
 - b. Promoting larger structural grids and fewer load-bearing internal walls.
 - c. Requiring floor-to-floor heights that support future changes of use.
 - d. Designing building services (HVAC, electrical, plumbing) for easy reconfiguration.
7. Provide incentives for developments that demonstrate long-term flexibility.
8. Publish design guidance and best-practice standards for adaptable buildings.
9. Undertake a detailed investigation of regulatory barriers and potential reforms, concessions, or alternative compliance pathways to better support residential adaptive reuse projects.
10. To streamline approvals and unlock the economic and social value of the heritage assets, key tools should be resourced:
 - a. Heritage Data Sheets and Conservation Management Plans: Providing these early gives developers clear guidelines and supports faster decision-making and manages community expectations.
 - b. A Heritage Investment Prospectus: Modelled after Historic England’s approach, would highlight opportunities, reduce risk, and accelerate development.
11. Provide greater support and resources to ensure compliance and build quality to bolster consumer protection and confidence in the apartment market.
12. Upskill trades to ensure buildings are built to a high quality.
13. Create greater consistency across Australian planning systems and identify efficiencies as new innovations are developed.
14. Support legislation requiring Councils to be provided with 3D models through the development process.

15. Support a program to leverage digital assessment tools to free up resources for higher-value tasks.
16. Continue to work towards policy pathways that provide more certainty for both developers and community members and reduce application timeframes.
17. Stronger and unambiguous policy, with nationally consistent definitions for consistent application of affordable housing in all States is needed to require the provision of affordable housing.
18. Encourage States to allow residential development to decouple car parking from land titles and not trigger additional development contributions, such as the open space levy.
19. Encourage States to demonstrate how open space projects respond to development needs.
20. Support direct payment of the contributions to local governments to determine and deliver open space that meets the needs of the local community.
21. Ensure the investment in infrastructure to enable infill is prioritised so that infill potential is unlocked without imposing additional financial burden on developers, which will further impact project feasibility.
22. Facilitate coordination between government departments and agencies to deliver development-ready sites. Further sequence public realm improvements to support growth demand.

1. Detailed response: Which regulatory reforms should governments prioritise to get more homes built more quickly? What evidence (case studies and data) can you provide to support your answer?

1.1 Modern methods of construction

Supporting and facilitating modern methods of construction, such as modular and prefabricated 'kit of parts' is a developing innovation sector addressing the capital costs of housing supply.^[1] To support market adoption at scale, the sector would benefit from Research and Development funding and collaborating with industry partners to fast-track product testing, increasing the availability and diversity of products on the market.

CEDA has made a series of recommendations that the City of Adelaide supports ^[2].

Recommendation:

Review the regulatory framework to support the use, finance and transportation of modern methods of construction.

1.2 Infrastructure Ready for Delivery of Housing

The Housing Supply call document ^[3], shows that infrastructure approvals are obtained post approval. This information should be publicly available to developers and the community to address current uncertainty over existing infrastructure capacities which can mean high augmentation costs. It can be difficult to obtain specific advice from utility providers until the detailed design stage. Added expenses in the late stages can render projects infeasible, impacting overall timing and market confidence.

Recent work undertaken for the City of Adelaide identifies that infrastructure augmentation costs, particularly mains water and electricity capacity in parts of the western CBD, are a material feasibility constraint for some development sites. Projects such as the City of Adelaide Resilient Flood Planning Project, Stormwater Management Plan and SA Power Networks CBD Reliability

Program and Hindley Street Substation 66kV Replacement are examples of projects that are addressing these constraints.

Until network capacity is addressed, residential development on the affected sites may remain marginal regardless of planning policy settings.

Recommendation:

Review legislation to ensure:

- Developers have clear information on infrastructure costs at the time of land sales and planning applications.
- Councils have access to capital works programs to coordinate the public realm to provide for new communities.

1.3 Fast tracking consistent quality design outcomes

Streamlined approval processes for quality design outcomes can incentivise developers to meet identified built-form outcomes and deliver consistent housing products across Australia. Form based controls are supported such as The Victorian Government’s “Great Design Fast Track”^[4] and New South Wales Government “Housing Pattern Book”^[5]. These are two localised examples of detailed guidelines that provide certainty to developers, while providing fast-track assessment pathways for housing delivery. Detailed guidelines that support comparable investment environments and clear processes across Australia support high-standard and consistent development outcomes, allowing developers to deliver similar products across states without the need for costly and time-consuming changes to housing products.

Recommendation:

Investigate the creation of National Apartment Design Standards to provide certainty and expedited approval pathways for developers to deliver consistent liveable apartment outcomes

1.4 Adaptable floor plates (new buildings)

To enable future adaptation of buildings, the Federal Government can encourage adaptable building floorplates by incorporating flexibility requirements into national building policies, funding programs, and regulatory frameworks. This could include requiring design standards that allow buildings to be more easily reconfigured over time, such as using larger structural grids, minimising load-bearing internal walls, providing sufficient floor-to-floor heights, and designing services (electrical, plumbing, and HVAC systems) to accommodate future changes in use.

The Federal Government could also support adaptable design through updates to the National Construction Code, incentives for developments that demonstrate long-term flexibility, and guidance that encourages buildings to be capable of conversion between uses, such as from office space to residential or mixed-use developments. These measures can help extend building lifespans, reduce demolition waste, and ensure developments remain functional as community and market needs change.

Recommendation:

Update national building standards to encourage adaptable floorplate design to encourage buildings that can be converted between uses (e.g., office, residential, mixed-use) by:

- Incorporate adaptability principles into the National Construction Code.
- Promote larger structural grids and fewer load-bearing internal walls.
- Require floor-to-floor heights that support future changes of use.
- Design building services (HVAC, electrical, plumbing) for easy reconfiguration.

Provide incentives for developments that demonstrate long-term flexibility.

Publish design guidance and best-practice standards for adaptable buildings.

1.5 Adaptive re-use (existing buildings)

Residential adaptive reuse projects often require significant upgrades to meet National Construction Code requirements relating to fire safety, accessibility, structural performance, and seismic safety, in addition to compliance with the state-based Planning and Design Code. While many upgrades are necessary, the complex design and approvals process associated with upgrading existing building stock can make adaptive reuse projects financially unviable, leaving vacant and underutilised buildings undeveloped.

A more tailored regulatory approach for existing buildings could enable essential safety and performance upgrades without requiring compliance equivalent to new buildings, helping accelerate housing delivery through adaptive reuse.

Recommendation:

Undertake a detailed investigation of regulatory barriers and potential reforms, concessions, or alternative compliance pathways to better support residential adaptive reuse projects.

1.6 Availability of information relating to heritage development

The development of heritage places is often viewed as subject to greater regulatory burdens, without recognition of their status as economic and social assets. Strict but needed conservation requirements can limit design flexibility and increase approval time and costs, creating uncertainty for developers. Assessing heritage value can be resource-intensive, and detailed information is often available only at the assessment stage, creating a highly contested space and some confusion for stakeholders.^[6]

Recommendation:

To streamline approvals and unlock the economic and social value of heritage assets, key tools should be resourced:

- Heritage Data Sheets and Conservation Management Plans: Providing these early gives developers clear guidelines and supports faster decision-making and manages community expectations.
- A Heritage Investment Prospectus: Modelled after Historic England's approach, this would highlight opportunities, reduce risk, and accelerate development.^[6]

1.7 Compliance

Compliance resources are needed to support better building standards, customer satisfaction and build trust within the apartment development market. Most Australians are not familiar with high-density apartment living; tackling compliance removes a barrier to market adoption. If compliance is left to consumers, it may dampen demand due to reputational risk to Capital City Markets, as people may be reluctant to take on the risk of apartment developments where they have less control over their investments than in lower-scale developments.

Many councils are under-resourced in compliance and cannot currently undertake additional and needed inspections, especially for quality standards rather than safety. With the trade shortages, this could be an opportunity to focus on additional trade skills development and could improve quality and compliance.

Recommendation:

Provide greater support and resources to ensure compliance and build quality to bolster consumer protection and confidence in the apartment market.

Upskill trades to ensure buildings are built to a high quality.

2. Which steps of the housing regulatory approvals process are the most onerous, time consuming and costly? Why? How could the burden be reduced without compromising regulatory objectives?

Nil response

3. Which recent reforms to approvals (for example, fast-track pathways, coordination bodies, AI-assistance) have been the most and least effective in increasing new housing supply?

3.1 The online planning system

Recent planning reforms in South Australia have improved the efficiency, consistency and transparency of development assessment. Continuing to update and streamline pathways through the online planning system will reduce complexity in delivering new housing supply.

Recommendation:

Create greater consistency across Australian planning systems and identify efficiencies as new innovations are developed.

3.2 3D Modelling and AI support in assessment

Providing legislation to require applicants to share baseline 3D models, would enable more effective assessment and better data and analysis processes to coordinate other city functions. Digital assessment tools could be reviewed to automate processes.

Improved data management could support wider urban planning, sustainability and resilience goals. Further, it could unlock more value from existing infrastructure and support a shift from standalone technologies to integrated urban ecosystems.

Recommendation:

Support changes to the *Planning, Development and Infrastructure Act 2016* (SA) to require the provision of 3D models to Councils through the development process.

Support a program to leverage digital assessment tools to free up resources for higher-value tasks.

4. Which specific zoning and land-use controls most limit the supply of new housing? What are the benefits to consider of specific land-use controls? How does this vary across particular Australian jurisdictions or areas?

4.1 Contextual Design and Incentive Policies

CoA supports enhanced design standards and place-based policy responses. The South Australian Planning and Design Code policy approach is high-level and relies on “contextual design” and incentive policies through a design review process.

Opportunities to provide ‘deemed to satisfy’ criteria could be explored to give more certainty around form-based policies such as height, plot ratio or floor area, height in relation to boundaries, tower separation, building interface, etc. Whilst the current approach is intended to provide flexibility, it can also open up subjectivity and risk to projects.

Rapid approval pathways can significantly reduce the “holding cost” of capital, directly boosting the project’s internal rate of return.

Recommendation:

Continue to work towards policy pathways that provide more certainty for both developers and community members and reduce application timeframes.

4.2 Affordable housing

Purely from a policy perspective and leaving aside the complexities of meeting the subsidy gap required to deliver affordable housing, the affordable housing policies in the South Australian Planning and Design Code are not achieving affordable outcomes in the CBD and are currently not meeting the City of Adelaide’s Housing Strategy targets^[1]. Whilst the Affordable Housing Overlay seeks affordable housing and provides incentives, it is not mandatory and it does not work operationally in the Capital City Zone, as height is often unrestricted and does not trigger affordable housing delivery.

We would also seek consideration of a nationally consistent definition of affordable housing.

Recommendation:

Stronger and unambiguous policy is needed to require the provision of affordable housing, including the provision of a nationally consistent definition of affordable housing.

5. How important are land release arrangements (including subdivision and titling) in limiting housing supply in an area, relative to other zoning and land-use controls?

Nil response

6. How do development contributions and contributions frameworks affect project feasibility and new housing supply?

6.1 Decouple carparking for new housing

The Grattan Institute Wasted Space Report has found that “when cities abroad removed minimum parking policies, new residential developments included parking at around half of the rate, or sometimes less, than previously required”^[1]. The report also recommends decoupling car parking from housing titles. One of the barriers in South Australia is the triggering of an additional Open Space Levy contribution under the *Planning, Development and Infrastructure Act 2016* (SA).

Recommendation:

Encourage States to allow residential development to decouple car parking from land titles and not trigger additional development contributions, such as the open space levy.

6.2 Open space contributions

Open space contributions are a long-standing policy and essentially have been value captured, and developers have accounted for this in their cost base. Open space has been continually proven to have public health benefits and to increase the value of development projects ^[9]. Developers and residents need to get better value for money from the contributions. More certainty around the timing of open space delivery is needed to ensure communities have open space at the right time and in the right locations, including urban green spaces in the CBD.

Recommendation:

Encourage States to demonstrate how open space projects respond to development needs.

Support direct payment of the contributions to local governments to determine and deliver open space that meets the needs of the local community.

6.3 Developers' contributions

Infill development can deliver significant savings for all levels of government compared to greenfield development, as infill utilises existing infrastructure and amenities. Further, it creates economies of scale to support service delivery such as open space, transport, hospitals and schools.

Adelaide remains one of the few Australian capital cities without a fully implemented developer contribution framework, despite legislative provisions existing within the *Planning, Development and Infrastructure Act 2016* (SA). The challenge for Adelaide is that it has had long-standing high yield potential since 2012, with no public value capture through developer contributions other than the existing open space levy.

Typically, value capture is negotiated at the time of rezoning however this did not occur with the major rezoning in 2012. Seeking developer contributions within the current policy setting in Adelaide will be challenging, where development feasibility is the biggest constraint to development.

Given the current yields available under the current zoning, CoA has limited ability to value capture with development contribution models. Accordingly, more than in other states, State and Federal Government financial support is required to deliver the infrastructure in a timely manner to enable development. The infrastructure and public realm delivery lag needs to be resolved to support infill development.

Recommendation:

Ensure the investment in infrastructure to enable infill is prioritised so that infill potential is unlocked without imposing additional financial burden on developers which will further impact project feasibility.

7. What other regulations relating to housing-enabling infrastructure should be a priority for reform to increase new housing supply?

7.1 Infrastructure coordination

Within established urban areas such as the City of Adelaide, housing supply is often less constrained by zoning capacity or land availability and more influenced by project feasibility, construction costs, financing conditions, market demand and supporting infrastructure. While significant residential development opportunities already exist within the Capital City Zone in the CBD, many approved projects are not commenced due to financial and market factors.

There is a cost benefit for bolstering demand for infill development in locations with existing services, employment opportunities, public transport and community infrastructure.

A priority for reform should be the stronger alignment of housing targets, infrastructure planning and funding mechanisms across all levels of government.

Housing supply is not solely dependent on planning approvals or zoning capacity. Residents and investors are attracted to locations that provide access to services, employment opportunities, transport and high-quality public spaces. Mechanisms to bring forward services and demand drivers are needed.

Infrastructure coordination between departments and agencies, such as SA Water and SA Power Networks, can target underserved sites and enable coordinated upgrades to create development-ready precincts.

Recommendation:

Facilitate coordination between government departments and agencies to deliver development-ready infill sites. Further sequence public realm improvements to support growth demand.

References

- ^[1] Prefab Aus [PrefabAUS Sweden Panelised Building Study Tour — prefabAUS](#)
- ^[2] Ceda Report Summary Built Different: Modern Methods of Construction 2026 [ceda-mmrc-report-final.pdf](#)
- ^[3] Housing Supply call document [Call for submissions - Housing supply regulation](#)
- ^[4] State Government of Victoria, “Great Design Fast Track”, <<https://www.planning.vic.gov.au/guides-and-resources/strategies-and-initiatives/great-design-fast-track>>.
- ^[5] NSW Government, “NSW Housing Pattern Book”, <https://www.planning.nsw.gov.au/government-architect-nsw/housing-design/nsw-housing-pattern-book>.
- ^[6] Historic England 2026, ‘Heritage Investment Prospectus’, <https://historicengland.org.uk/advice/planning/our-planning-services/support/investment-prospectus/>.
- ^[7] City of Adelaide’s Housing Strategy [housing-strategy-investing-in-our-housing-future.PDF](#)
- ^[8] Grattan Institute 2026, “Wasted space: Axe car-parking rules to ease the housing crisis”, <[Grattan-Institute-2026-Wasted-Space-Report.pdf](#)>.
- ^[9] Healthy Parks Healthy People South Australia 2021-2026 [document-healthy-parks-healthy-people-framework-2021-2026-web.pdf](#)