



Australian Government
Productivity Commission



Housing supply regulation

Interim report Overview



This is an interim report prepared for further public consultation and input. The PC will finalise its report after these processes have taken place.

July 2026

Acknowledgment of Country



The Productivity Commission acknowledges the Traditional Owners of Country throughout Australia and their continuing connection to land, waters and community. We pay our respects to their Cultures, Country and Elders past and present.

About us

The PC is the Australian Government's independent research and advisory body on a range of economic, social and environmental issues affecting the welfare of Australians. Its role, expressed most simply, is to help governments make better policies, in the long-term interest of the Australian community.

The PC's independence is underpinned by an Act of Parliament. Its processes and outputs are open to public scrutiny and are driven by concern for the wellbeing of the community as a whole.

For more information visit our website: www.pc.gov.au.

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Opportunity for comment

The Productivity Commission thanks all participants for their contribution to this inquiry and now seeks additional input for the final report.

You are invited to examine this interim report and comment on it by written submission to the PC, preferably in electronic format, by **30 September 2026**.

Further information on how to provide a submission is included on the website:
www.pc.gov.au/inquiries-and-research/housing-supply.

The PC will prepare the final report after further submissions have been received, and it will hold further discussions with participants.

Commissioners

For the purposes of this inquiry and interim report, in accordance with section 40 of the *Productivity Commission Act 1998* the powers of the PC have been exercised by:

Danielle Wood	Chair
Alison Roberts	Commissioner

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Overview

Key points

- * **Australia doesn't build enough homes in the areas where people want to live. This has made housing unaffordable in many parts of the country. Increasing housing supply would help put downward pressure on prices and support more people to live in housing that meets their needs.**
- * **Regulation limits housing development, and improving it is a key lever for governments. While some regulation is necessary to ensure the safety, quality and liveability of new housing stock, too much or unnecessary regulation constrains housing supply.**
 - Regulation can stop certain housing development occurring altogether. It can also deter development due to slow, cumbersome and expensive processes and uncertainty.
 - The number and interaction of different regulatory requirements can also limit housing construction.
- * **We set out 4 principles of a best practice regulatory system for housing: adopt a 'build' mindset; only regulate when necessary; coordinate with infrastructure; and keep the process simple.**
 - These principles underpin an overarching objective: a well-functioning housing and planning regulatory system that enables enough housing to meet people's needs in the places where it delivers the greatest net benefit to the Australian community.
- * **Land-use controls prevent housing being built, or limit the form it can take. Relaxing these controls would have the greatest effect on housing supply of all our reform directions.**
 - Governments should commit to broad-based upzoning in cities, including by allowing 3-storey development on most residential land, reducing minimum lot sizes, using more mixed commercial and residential zones, and allowing more mid- and/or high-rise development in high-demand areas.
 - This upzoning should be supported by reducing restrictive land-use and built-form controls that lower development feasibility, limit choice or impose costs that outweigh their benefits, such as maximum floor-space ratios or minimum car parking requirements.
- * **If housing is not coordinated with infrastructure, it can delay or limit new dwellings. Infrastructure planning is often the main constraint on building houses in new areas (greenfield sites), so it should be a high priority for reform.**
 - Governments should better align infrastructure plans with housing and show how infrastructure provision will be funded and sequenced with land availability. They should also make planning more consistent across levels of government, between councils, and with infrastructure service providers.
 - Developers should contribute to funding infrastructure, but it should be done efficiently and only where there is a clear link between infrastructure and development. Governments should ensure contributions are predictable and consistent, and their timing is aligned to development finance.
- * **Slow and complex approvals delay new housing and make some developments unviable. Making approvals more efficient can help deliver homes faster, but these reforms on their own will not be sufficient.**
 - Governments should enhance strategic planning processes to consider infrastructure requirements and trade-offs associated with development early, rather than during the approval process.
 - Governments should make greater use of risk-based assessment pathways such as fast-track and state-significant development. Pathways should be supported by coordination bodies with power to resolve disputes; improved use of technology; and transparent reporting of approval outcomes.

Australia needs more homes in the right places

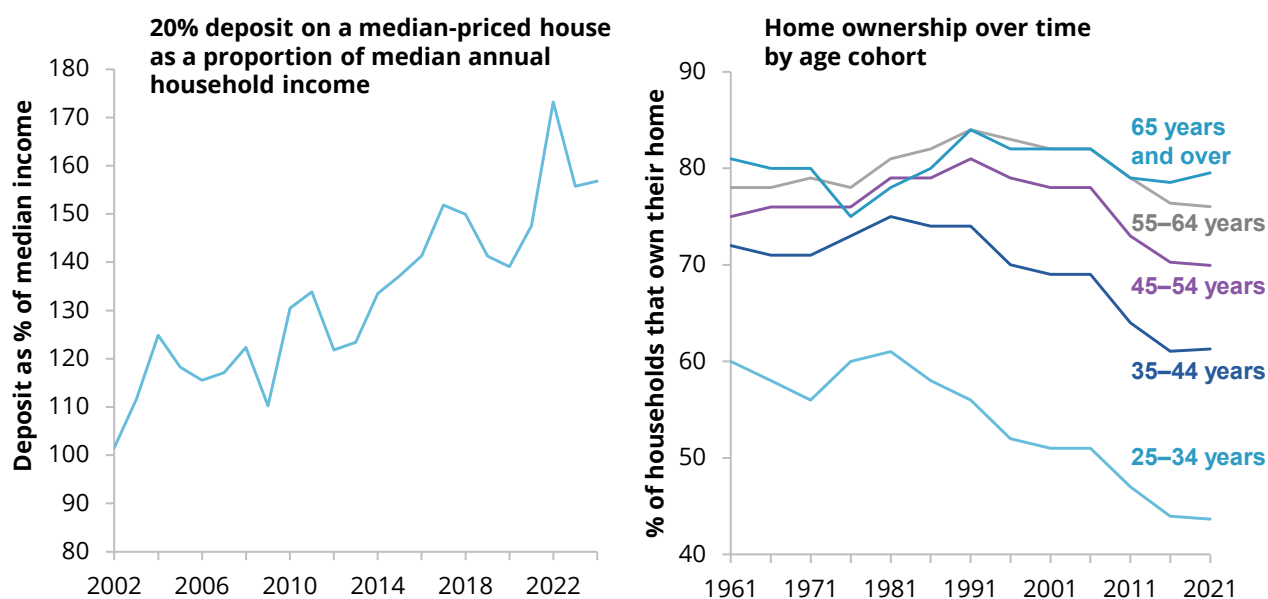
It's become harder to afford a home

People need stable housing to flourish – it provides safety and security, and it shapes our access to employment, education and social connection. Yet for many Australians, obtaining suitable housing in desirable locations has become increasingly out of reach.

Over the last two decades, property prices have grown substantially faster than wages. The result is obvious: it has become harder for first homebuyers to get on to the property ladder (figure 1). It currently takes 11 years for the average household to save for a 20% deposit on the typical home, up from 8 years in 2005 (Cotality 2025, fig. 2).

The lack of affordability is most clearly being felt by young people. Between 1981 and 2021, home ownership rates fell 17–18 percentage points for those between the ages of 25 and 34 (figure 1; Treasury 2023, p. 172). Those who do purchase a home are servicing larger mortgages. Australia's housing debt is some of the highest per capita in the world (van Hoenselaar et al. 2021, fig. 9A).

Figure Error! No text of specified style in document. – Growing dwelling prices relative to income have created an affordability problem



Deposit amount is assumed to be 20% of the national median sale price for established dwellings. The national median sale price is a transaction-weighted average of median prices for established dwellings in capital cities. Home ownership includes those who own their own home outright, own it with a mortgage or are purchasing under a shared equity scheme. Aboriginal and Torres Strait Islander people are excluded from Census counts prior to 1971 due to institutional racism.

Source: PC estimates using Housing, Income and Labour Dynamics of Australia, wave 24; ABS (2026, Total Value of Dwellings, table 2, Cat no. 6416.0); ABS (Census of Population and Housing, Australia, 2016, 2021, Cat no. 2901.0, TableBuilder); Yates (2015).

Renters are also under strain. A middle-income household will typically pay a third of their income to secure a new rental home in the current market (Cotality 2025, fig. 2). And renters on very low incomes are especially vulnerable to higher costs. People on working age payments like JobSeeker and Youth

Allowance can only afford a handful of available rental properties without housing stress in high demand areas like Sydney (Anglicare Australia 2026, p. 6,8).

Too few homes are available where people want to live and work

A key reason for the affordability challenge is that we have not built enough homes in the places people want to live. There is a strong causal link between supply, location and affordability (box 1). Well-located housing not only promotes affordability, but can improve social cohesion and the sharing of ideas, supporting innovation and productivity.

We can see the effects of low housing supply when comparing the price people pay to buy apartments and the cost of supplying additional apartments – when the former is much higher than the latter, it shows that supply is not keeping pace with demand. Studies have found evidence of excess demand for apartments across many Australian suburbs (CIE 2024, p. 18; Coates et al. 2025, pp. 31–32; Jenner and Tulip 2020, p. 1).

Box 1 – The effect of housing supply on prices

Economic theory would suggest that an increase in housing supply, for a given level of demand, should reduce housing prices across the relevant market, usually a city. Empirical research confirms this. Many studies using robust causal methods find that, over the long term, increased housing supply leads to lower city-wide dwelling prices and rents relative to what they otherwise would have been (Anagol et al. 2021; Greenaway-McGrevy and So 2026; Maltman and Greenaway-McGrevy 2025; Rollet 2025; Saunders and Tulip 2020, pp. 28–29).^a In most cases, this appears as lower price growth, rather than an absolute decline in prices.

A common counter argument is that new housing tends to be expensive and therefore does little to improve affordability. But when new homes are built, the households that move into them usually vacate existing homes, creating a chain of moves through the housing market. This process, known as filtering, increases available housing across different price points and can lower prices and rents across the market, not only for higher-priced dwellings (Bratu et al. 2023; Mast 2019; Mense 2025).

While higher housing supply reduces city-wide prices and rents, the effects on prices in the neighbourhoods where additional supply is unlocked can vary (Been et al. 2025, pp. 99–100; Phillips et al. 2021). Local price effects depend not only on the increase in supply, but also on how new development affects neighbourhood quality and amenity, which can affect demand. Many studies find evidence of positive amenity effects, such as increased business activity, but generally conclude that the supply-side effects on reducing rents tend to outweigh any potential demand effects from improved local amenity (Been et al. 2025, p. 100; Phillips et al. 2021).

a. Some studies find more mixed relationships between new supply and prices (Garvin 2026; Murray and Limb 2023), but we give more weight to studies that estimate the effect of new supply using causal methods and capture long-term city-wide effects, rather than short-term or local effects.

When housing is expensive and choices are limited, the only affordable options for many may be on urban fringes, where services, amenity and jobs are harder to access (NGAA 2024). People living in these locations may find it harder to access jobs that match their skills (SGS Economics and Planning 2023, pp. 15–16), reducing their earning potential and society's productivity. They may also face long commutes which can substantially reduce their wellbeing (Han et al. 2022).

High housing costs also constrain people's choices in other ways, such as adult children living with their parents for longer, or people forming larger households than would otherwise be their preference (NHSAC 2026b, p. 44).

While housing costs are driven by many factors, one important answer is to shift policy to make more housing supply available.

Recent supply reforms are welcome, but there is more to do

Australian governments have initiated a raft of reforms to increase the supply and affordability of housing. Under the *National Housing Accord* reforms agreed by the National Cabinet, state and territory governments committed to working with the Australian Government to build 1.2 million new homes by the end of the decade (Treasury 2024). However, progress has been slow. We are forecast to undershoot by 220,000 or more homes by June 2029 (NHSAC 2026b, pp. 63–64).

Interest rates and the cost of construction have increased since the start of the Accord, partly due to broader economic and geopolitical uncertainty, making many projects less financially feasible (Bryant et al. 2026; Hamilton Bardin 2026). States and territories have initiated welcome reforms to planning systems and specific planning policies in support of the Accord (NHSAC 2026a), but in most cases these reforms do not go far enough.

Reforming regulation to build more homes, faster

Governments cannot control every factor affecting housing supply, but policy reform will make a difference over time. One of the key levers for governments is regulation.

Federal, state, territory and local governments all play a role in determining how much housing can be built by setting regulations that affect how land can be used for housing, and what kind of housing is allowed to be built.

Regulatory settings broadly affect housing supply through two mechanisms (Maltman 2025):

- They stop certain housing development occurring (regulatory bans). This commonly occurs in land-use controls – the rules that set where housing can be built, and what form it can take.
- They can impede development by making it slower or more costly (regulatory burdens). Regulatory burdens often arise from slow, burdensome or cumbersome approvals processes, or where regulatory settings act as a bottleneck to connecting new housing developments to essential supporting infrastructure.

The interaction between regulatory requirements also affects housing supply. Multiple sets of controls can create 'thickets' of regulatory requirements and restrictions that impede development or limit the type and number of dwellings that can be built on a parcel of land.

This inquiry will identify ways to improve housing regulation

The Australian Government has asked the PC to undertake an inquiry into the rules and regulations that impact housing supply. They have asked us to identify examples of regulations that most affect housing supply, housing affordability and construction productivity, and propose prioritised reforms to enhance supply and build more homes quickly.

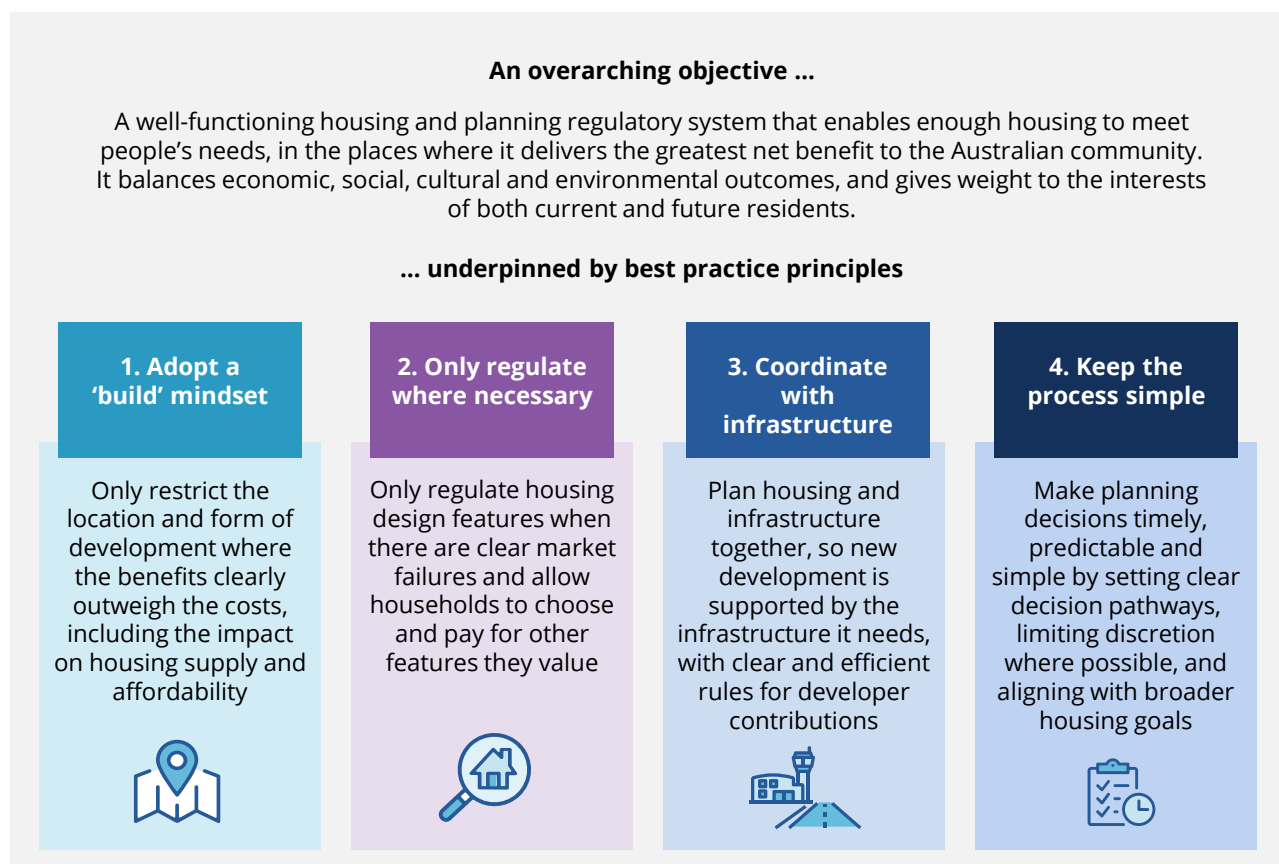
Best practice for housing regulatory systems

The government has asked the PC to assess recent reform efforts against features of a ‘best-practice regulatory system’ for housing, and identify opportunities for the next stage of reforms.

The goal of the inquiry is not to strip away ‘red tape’ for the sake of it. Instead, we are focusing on areas where housing regulation can be made less limiting to provide a net benefit, and where efficiencies can be found without compromising important regulatory outcomes.

To guide our consideration of reform directions for this inquiry, the PC has identified an objective and principles for best practice housing regulation. This will help ensure our recommendations balance housing outcomes with other important goals, including economic prosperity, safety, social welfare, equity, climate change adaptation, and cultural and environmental preservation (figure 2). Chapter 1 of this report explains the reasons for the objective and principles, and how they can be applied in practice.

Figure 2 – Principles for best practice housing regulation



Targeted reform can improve housing supply

Our reform directions in this report are based on our review of the existing literature and initial consultation. We have prioritised reform directions that are likely to have the greatest effect on housing supply, based on the evidence we have to date. We seek feedback on these directions, noting that further quantitative work and consultation will inform the recommendations in our final report.

Relax land-use rules where people want to live

Land-use controls include requirements about where people can and can't build housing (zoning), and the design and built form requirements for new homes. These controls provide protections for households and neighbourhoods – particularly where development would impose significant social, cultural, climate resilience or environmental costs. At the same time, land-use controls often impose binding constraints on new development, limiting the supply of new housing, even when prices (and hence incentives for development) are high. For example, heritage protections cover at least 50% of residential land in 50 suburbs across greater Sydney (NSW PEC 2024b, p. 42).

Chapter 2 of this report examines how land-use regulations can block new development or make it commercially unfeasible. We examine which controls most constrain supply, and where the benefits of relaxing controls within our cities (infill) and at their margins (greenfield sites) exceed the downsides of development.

Our priority reform directions are:



Reform direction 2.1

Allow up to 3-storey developments across most residential land

State and territory governments should allow up to 3-storey developments across all residential land, with exceptions made for areas with environmental protection, hazard-related overlays or heritage listed buildings only where the benefits of exceptions outweigh the costs.



Reform direction 2.2

Allow mid-rise or high-rise apartments in high-demand areas

State, territory and local governments should update planning schemes to allow mid-rise (4–9 storeys) and/or high-rise (10+ storeys) apartments in high-demand areas with existing or readily expandable transportation infrastructure. This will require changes to a variety of land-use controls which will vary by local government area and/or state and should be implemented in conjunction with reform direction 2.6.



Reform direction 2.3

Reduce or remove minimum lot size requirements

State, territory and local governments should recognise where minimum lot size requirements are reducing commercially feasible capacity, particularly in high-demand areas, and remove or reduce requirements in those places. Subdivision requirements need to be permissive to enable this reform to have its full effect.



Reform direction 2.4

Allow residential development in commercial zones, unless there is a clear rationale for excluding it

State and territory governments should review all commercial zones that restrict residential development and change them so they restrict residential development only where there is a clear rationale to do so and there is a net benefit from restriction.



Reform direction 2.5

Review, reduce and remove land-use controls that reduce commercial feasibility and do not adhere to best practice principles

State, territory and local governments should identify and reduce controls that reduce commercial feasibility and do not adhere to best practice principles.

- **Remove or reduce parking requirements.** Governments should remove or reduce off-street parking requirements (especially minimum requirements) in areas where there is evidence of underused parking spaces and sufficient public transport connectivity.
- **Replace broad heritage protections with more targeted heritage listings with cost-benefit analysis and review processes.** Blanket heritage areas should be replaced by heritage listings for specific buildings or small areas. Targeted heritage listings should be justified by cost-benefit analysis and there should be more robust mechanisms to review and delist buildings.
- **Review and reduce neighbourhood character restrictions.** Restrictive overlays which apply blanket restrictions to entire streets or local government areas should be reviewed and replaced by targeted protections where possible.

**Reform direction 2.6****Relax or remove built-form controls that limit flexibility and choice for households**

State, territory and local governments should identify and reduce or remove built-form controls that limit the range of dwelling types available to households.

- **Modify controls as required to enable townhouse and apartment reform.** In areas suitable for townhouses and apartments, controls such as site coverage ratios, setback requirements and height restrictions should be modified to enable reform uptake.
- **Remove maximum floor-space ratios.** State, territory and local governments should avoid using maximum floor-space ratios to manage density where the desired outcome can be achieved through height restrictions or other built-form controls.
- **Remove restrictions on housing types.** State, territory and local governments should avoid restricting certain dwelling types as desired outcomes can be better managed by other built-form controls.
- **Remove restrictions on minimum dwelling sizes, minimum balcony sizes and storage requirements for apartments.** State, territory and local governments should avoid regulating observable characteristics that do not negatively affect the wider community.

Make approvals faster and easier

The process for obtaining regulatory approvals for housing, while important for ensuring new housing meets required standards, can be convoluted and slow. This becomes a regulatory burden that can slow development or prevent it altogether, increasing the cost of housing.

Many of the biggest issues arise when different decision makers set conflicting or unclear requirements on a proposed development, which take time and effort from the developer to resolve. The PC heard of one developer who was informed by the council that they needed to plant native trees and vegetation to support the local environment, but was also told by the local fire authority that they needed to minimise the tree canopy around the property to manage bushfire risk. The developer required approval for the project to be non-compliant with the council's landscape controls in order to proceed ([name withheld], personal communication, July 2026). Other issues include poor sequencing of inputs, onerous and highly technical reporting requirements, and subjective rules (such as neighbourhood character considerations) creating uncertainty about what is required for a project to go ahead.

Chapter 3 of this report considers how approval processes can be streamlined and become more transparent, and how assessments can be more proportionate to risk. We also review how the housing regulatory system can support more productive methods of construction such as prefabricated and modular housing.

Our priority reform directions are:



Reform direction 3.1

Consider infrastructure requirements and trade-offs associated with development early through strategic planning

State and territory governments should seek to lift the burden from approvals by assessing development conditions and determining trade-offs efficiently and upfront rather than through the development approval process. This includes:

- identifying suburbs and localities where there is high expected demand for new housing, and making it an explicit performance goal for councils, relevant agencies and regulated infrastructure service providers to facilitate new housing in these areas
- completing technical studies (e.g. flood risk, bushfire risk, biodiversity mapping) across suburbs and localities with high expected demand for new housing, and considering how the impacts of the expected uplift in housing development can be managed across these areas
- fully considering how any required housing-enabling infrastructure will interact with existing infrastructure, including by engaging with referral agencies or owners of existing infrastructure to identify potential barriers to development early (in conjunction with reform directions 4.1 and 4.2)
- incorporating the outcomes of these assessments into planning schemes as clear and codified requirements for development, and avoiding site-specific assessments of trade-offs where possible.

**Reform direction 3.2****Expand the use of fast-track pathways to assess simple developments**

State, territory and local governments should improve fast-track assessment pathways by:

- expanding their use to cover more low-complexity developments, using deemed-to-comply assessment against codified rules, with minimal third-party inputs
- increasing the use of pattern books, with templates eligible for fast-track approval
- using hybrid assessment for developments which narrowly fail to comply with fast-track criteria, where non-complying criteria are assessed using standard techniques
- approving fast-track developments quickly, with incentives for councils to increase speed of assessment.

**Reform direction 3.3****Use state-significant pathways to approve developments with a clear need for state-led assessment**

State and territory governments should improve the assessment of large, complex and important developments by:

- using state-significant pathways when a clear need for state-led assessment is demonstrated, with transparent and defined criteria for inclusion in the pathway
- giving assessment authorities clear decision-making powers, which are not bound by council planning schemes
- using early and targeted consultation to meaningfully engage third parties where their inputs are required.

**Reform direction 3.4****Improve housing approval assessments with better coordination of referrals, use of technology including AI, and transparent reporting**

State, territory and local governments should improve housing approval assessments by:

- using coordination bodies to manage and sequence referrals from government agencies and third parties. These bodies should have decision-making power in the event of conflicting advice
- increasing use of technology including AI to help decision makers and applicants understand regulatory requirements and identify potential problems with applications
- strengthening performance reporting so that it more meaningfully captures the end-to-end burden of the approvals process. This includes public reporting on outcomes by council.

Better coordinate infrastructure planning and charging with delivery

The provision and coordination of infrastructure for housing also determines where and how quickly new housing can be built, and at what cost. Poorly coordinated infrastructure arrangements can prevent essential infrastructure being delivered where it is required, delaying or constraining development of new dwellings, particularly in greenfield sites. A telling example is Torana Estate in Sydney, a greenfield housing development that was rezoned for housing in 2013. After parcels of land were purchased on the site in 2020, housing construction was postponed for several years by delayed sewerage connections (Hanrahan and Gock 2022).

Chapter 4 of this report looks at how to enhance the supply of new housing through better arrangements for housing-enabling infrastructure. We examine options to improve planning and coordination of infrastructure with new housing, who should pay for infrastructure and how developer contributions can affect the feasibility of development.

Our priority reform directions are:



Reform direction 4.1

Coordinate strategic planning for infrastructure with housing objectives

State, territory and local governments should improve their infrastructure planning by:

- documenting how infrastructure planning supports housing objectives, including any interdependencies with third parties such as infrastructure service providers. This should be prioritised for areas identified as having high expected demand for new housing (reform direction 3.1)
- ensuring infrastructure planning documents are kept current
- reporting the level of funding allocated to individual infrastructure projects and the expected costs and benefits of major road and transport projects
- ensuring there is a consistent approach to infrastructure planning across local governments within jurisdictions, and that local planning aligns with state-level infrastructure and housing objectives and projections (and supports reform direction 4.2).



Reform direction 4.2

Improve infrastructure sequencing with housing development

State and territory governments should improve how infrastructure is sequenced with housing. This includes:

- ensuring the timing of rezoning and infrastructure planning accounts for the lead times of each and that this is reflected in infrastructure plans, to ensure land for housing is released once a plan to deliver timely supporting infrastructure has been made
- ensuring infrastructure upgrades to support additional housing coincide with required changes to support housing, such as upzoning
- developing an accountability framework with clear responsibilities for each level of government and other parties such as regulators and infrastructure service providers, to set out how they will work together to deliver timely infrastructure to support housing
- considering how sequencing can improve certainty for other parts of the development process, including approvals (reform direction 3.1).

**Reform direction 4.3****Ensure developer contributions reflect the accurate cost of providing infrastructure**

State, territory and local governments should:

- use developer contributions for all infrastructure with a close nexus to the development, when the development has also created a demonstrated need
- apportion contributions for infrastructure when beneficiaries are dispersed beyond the development site
- remove contributions when there is no demonstrable nexus between a development and infrastructure
- use cost-reflective developer contributions where possible, unless there are significant administrative burdens for local government or accurate cost estimates cannot be provided upfront.

**Reform direction 4.4****Enhance design of developer contribution frameworks towards best practice**

State, territory and local governments should update the design of developer contribution frameworks to:

- include upfront estimates of contributions prior to land release or land acquisition, and make available online contribution estimation tools
- allow contribution payments to be staged or due later in the development process
- take a consistent approach across all local governments within each state and territory in how charges are administered and calculated
- reduce the number of different contributions levied on developers by bundling different contributions into single levies where possible
- adopt transparent, centralised reporting of funds collected at the development, local government and state levels and progress reports against planned infrastructure delivery and housing supply objectives.

Land-use reforms and infrastructure coordination will have the biggest effect on housing supply

Of all the housing supply reform areas in our terms of reference, reforming land-use controls to increase housing density in cities is likely to have the greatest impact on supply. We base this conclusion on evidence from literature, initial modelling and consultation (including meetings, submissions and roundtables).

The effect of land-use controls may be more limited in greenfield areas where land has already been released. Land release in and of itself is not a problem in many greenfield areas, but released land can only translate into housing supply when it is supported by enabling infrastructure, which we have heard is often a constraint for new developments in these locations. Better strategic planning would help governments navigate infrastructure coordination challenges, both for infill and greenfield locations, and could also unlock significant supply.

In contrast, reducing regulatory burdens by, for example, improving approval timeframes and enhancing developer contribution frameworks is likely to have less effect on overall supply. While there are clear opportunities for improvement, governments should not rely on these types of reforms alone to address the supply challenge.

The role of the Australian Government

States and territories are responsible for setting most housing regulations, and local governments are typically responsible for applying them. As such, most of our reform directions target actions that can be taken by state, territory and local governments.

However, the Australian Government sets housing policy priorities in national plans, policies, funding and legislation, and therefore has an essential role in supporting states, territories and local governments to move toward best practice and implement reforms.

The Australian Government could also have a more direct role, particularly for infrastructure development, helping to provide finance such as low or no-interest loans, managing funding shortfalls and underwriting risks in the infrastructure sequencing process. The PC is seeking feedback on how the Australian Government can support housing regulatory reform and operationalise the reform directions.

What we are not looking at

The terms of reference for this inquiry, and hence our reform directions, do not cover every policy issue that affects housing supply. For example, the National Construction Code is out of scope for this inquiry, as are policies that may affect construction costs, labour supply in the construction industry, or demand for housing. Other reviews and past PC work are examining, or have recently examined, many of these issues.¹

Broader policy settings such as taxes (including stamp duty), interest rate setting and finance affect investment decisions for housing development. These are not covered by this inquiry. We are also not looking at broader economic conditions that affect supply, such as supply chains and the cost of building materials, or crowding out of investment in new housing due to competition with major

¹ For example, *Housing construction productivity: Can we fix it?* (PC 2025c); *Creating a more dynamic and resilient economy* (PC 2025a); *In need of repair: The National Housing and Homelessness Agreement* (PC 2022); *National voluntary certification scheme for manufacturers of modern methods of construction* (ABCB 2025b); *National Construction Code modernisation project – interim report* (Treasury 2026b).

infrastructure projects. Nor are we examining the growth of demand for housing or the reasons for it, including migration and demographic change.

Your input will help us provide a direction for Australia's housing supply

Our final report, due in March 2027, will include an assessment of recent and upcoming housing reforms by states and territories against the features of a best practice housing system and their anticipated effect on housing supply. It will also include more detailed recommendations, including for states and territories, with the aim of identifying further opportunities to move towards best practice, filling reform gaps and enhancing housing supply in each jurisdiction.

To inform these recommendations, we will do more quantitative analysis, including modelling of zoning and land-use controls in capital cities to identify which changes could lead to the greatest supply response. We will also consult extensively with industry representative groups; representatives from relevant parts of government; subject-matter experts; and individuals and organisations with experience of housing regulation, including Aboriginal and Torres Strait Islander organisations.

As part of this consultation, we plan to conduct a detailed survey of housing developers about their experiences of receiving approvals for housing development. This will help us identify significant pain points and determine the parts of the system where reform could have the most effect.

We are also seeking your input to help build our knowledge and evidence base. Your responses to the information requests throughout this report will contribute to our final recommendations.

Taken together, the goal for our inquiry is to propose reforms that will reshape Australia's planning systems to build enough housing, more quickly, and where people need it most.

Information requests



Information request 1.1

- How do housing regulatory systems, specifically, land-use controls, housing-enabling infrastructure and approval processes, affect Aboriginal and Torres Strait Islander people and communities' access to appropriate housing? Case studies and examples are encouraged.
- How can governments improve housing regulatory systems to better meet the housing needs of Aboriginal and Torres Strait Islander people and communities, in alignment with outcome 9 of the National Agreement on Closing the Gap?



Information request 1.2

- What features should governments have in mind when evaluating reforms to move housing regulatory systems towards best practice?
- Are the best practice principles and overarching objective (figure 1.2) we have identified appropriate? If not, what changes should be made?
- What are some examples of specific housing supply regulations (in Australia or internationally) that:
 - a) exemplify the features of a best practice system for housing regulation
 - b) clearly do not reflect these features?



Information request 2.1

- Do design-focused regulations (e.g. tree canopy requirements, apartment layout and storage) directly impact commercially feasible capacity?
- What impact would reducing the coverage of heritage overlays have on housing supply?
- What land-use controls need to change to enable more alternative dwelling types to be built? What impact would such reforms have on housing supply?
- Is there a need for further reforms to enable a greater supply of small secondary dwellings such as granny flats?
- Are there other land-use controls which significantly impact supply?

**Information request 2.1**

- Can you provide information, data, or analysis on development cost stacks across different housing typologies and geographic areas (for example, construction cost information)?
- Can you provide information, data, or analysis on the extent to which dense housing typologies differ in commercial feasibility (for example, comparisons between apartment and townhouse developments)?

**Information request 2.2**

- Can you provide information, data or analysis on the degree to which available land is a barrier to new housing supply?
- Can you provide examples of released land that has not been able to be developed for housing, and explain the barriers to development in these cases?
- Would it be helpful for governments to report a land measure which distinguishes land that is zoned residential, from land that is serviced, approved, infrastructure-ready and commercially feasible to develop?

**Information request 2.3**

- What evidence do you have on which land-use controls or combinations of controls are the greatest constraint on housing supply in your jurisdiction?
- What reforms to land-use controls are likely to boost housing supply in each jurisdiction? What are the expected impacts of reforms on zoned capacity, commercially feasible capacity and/or other measures of supply? What are the expected impacts on positive and negative externalities? We are particularly interested in quantitative evidence on reforms to minimum lot size and reducing coverage of broad heritage controls.
- How should potential reforms be implemented? What does the evidence show about the effectiveness of past zoning and land-use reforms in Australia?
- What evidence do you have on the effects of mandatory and voluntary inclusionary zoning requirements for affordable housing on housing supply and affordability?



Information request 3.1

- What evidence do you have for the main causes of delays in receiving approvals for new housing?
- When is discretion useful in planning processes, and when is it not useful? Are there examples of subjective requirements that should be changed or removed to improve certainty for developers?
- How should third-party appeal processes be changed to better balance the benefits they provide to community members and the uncertainty and delay costs they impose on developers?



Information request 3.2

- Which specific requirements (for example specific reports or referrals to an agency) are most onerous to comply with when receiving a development approval?
- Are there any requirements for development approval that should be removed? In these cases, how should any risks be mitigated?
- What could each state and territory do, if anything, to improve the process for receiving subdivision approvals?



Information request 3.3

- Is improving the coordination of the approvals process a higher or lower priority than reforms to reduce the amount of approval requirements?
- Are there any examples of where coordination bodies are or are not working? What are the features of coordination bodies which make them successful?
- How effectively are reforms to planning rules, such as SA's Planning and Design Code and Victoria's Clause 55, working to make approvals more certain?

**Information request 3.4**

- What examples are there of best-practice strategic planning improving the process for housing approval decisions at a state, territory or local government level?
- Do the features of tiered assessments we have identified match best-practice? What sort of developments should be included in each tier?
- How effective has technology including AI been where it has been used to assist with approvals? How can it be better utilised?
- What are the best ways to enhance how states and territories track the timing and burden of approvals?
- What reforms should each state and territory prioritise to reduce the burden of the approvals process?
- How can federal, state and territory governments incentivise councils to approve developments efficiently, and encourage those that are slow or are obstructing approval pathways?
- What evidence is there about the benefits of including social and affordable housing in state-significant, or other streamlined, pathways?

**Information request 4.1**

- What reforms are required to infrastructure planning and coordination to support more timely utility connections? To what extent is there misalignment of incentives between each level of government and infrastructure service providers?

**Information request 4.2**

- What feedback do you have on our reform directions for infrastructure planning? To what extent will these resolve the planning coordination issues and address constraints to housing supply?
- How should reforms to infrastructure planning be implemented and what are the main challenges?

**Information request 4.3**

- How can governments balance the need to support feasibility for developers by collecting developer contributions later in the development process, with a need for upfront funding to kickstart infrastructure to support new housing?



Information request 4.4

- Are our directions for improving developer contribution frameworks addressing key infrastructure challenges that will support housing supply? What evidence or case studies support this?
- How should reforms be designed to overcome the implementation challenges including determining nexus, fair apportionment, accurate upfront cost estimates for infrastructure, timing and funding sequencing, and first mover disadvantages?



Information request 4.5

- Are our proposed roles for the Australian Government in supporting housing-enabling infrastructure useful and appropriate to support new housing? What other roles should we consider?



Information request 5.1

- Which of the reform directions will be relatively easy or hard to implement and why? Are there any examples of 'quick wins' that could be achieved?
- Are there any co-dependencies or sequencing considerations across the reform directions?
- How can the Australian Government ensure housing regulatory system reform is implemented in a manner that supports all governments' commitments under the National Agreement on Closing the Gap?
- How can the Australian Government best support state and territory and local governments to shift housing regulatory systems towards best practice?