

# Submission to the Productivity Commission

## Housing Supply Regulation Inquiry

Submitted by: [Redacted]

Location: [Redacted]

Date: 29/06/2026

### 1. Opening position

Thank you for the opportunity to provide a submission.

My central point is simple: Australia has been told about these problems before. The issue is not a lack of reviews, reports or recommendations. The issue is that governments keep allowing the same problems to reappear under new labels.

In 2004, the Productivity Commission warned that local planning processes were being used to impose building requirements, eroding the gains from a nationally consistent building code. It recommended clearer boundaries between planning and building regulation, stronger impact analysis, and better control of local variations.

In 2014, the Wallace Review examined Queensland's Building Act 1975 and building certification system. It again identified the problem of complexity across building legislation, planning legislation, fire legislation, the NCC, Australian Standards, the Queensland Development Code, local laws, guidelines and local planning schemes.

In October 2025, the Queensland Productivity Commission's final report on construction productivity again identified land use regulation, local planning inconsistencies, approval delays, regulatory overlap and planning/building interface problems as major contributors to poor productivity and housing supply constraints.

The pattern is hard to ignore. For more than 20 years, governments have been told that planning and building regulation need clearer boundaries, stronger discipline and proper cost-benefit testing. Yet here we still are — dealing with slow approvals, inconsistent local rules, overlapping regulation and housing projects that are made more expensive or unviable before a shovel hits the ground.

This submission argues that governments should prioritise reforms that:

- keep planning outcomes and building regulatory outcomes separate
- prevent planning schemes from becoming local building codes
- require cost-benefit analysis for local variations that add cost or reduce housing yield
- increase housing capacity in well-located areas
- make approval systems more transparent, measurable and accountable
- ensure infrastructure requirements and contributions are predictable, proportionate and tied to long-term planning.

### 2. The core problem: planning schemes are doing too much

Planning systems have an important role. They should determine land use, density, infrastructure sequencing, neighbourhood impacts, environmental risks and strategic growth.

Building regulation also has an important role. It should determine technical building outcomes such as health, safety, amenity, accessibility, energy performance and compliance with the National Construction Code.

The problem arises when planning schemes and approval conditions start doing both jobs.

A proponent can comply with the NCC and still be required to redesign, re-document or negotiate matters through a planning process that is effectively imposing additional building-form, siting or technical requirements. That adds cost, delay and uncertainty. It also blurs accountability.

The 2004 Productivity Commission warned that local governments were imposing building requirements through planning approvals, including matters such as access, bushfire, water, waste, energy efficiency and salinity. It noted that local governments usually did not conduct adequate impact analysis of such requirements.

The Wallace Review later made the same point in Queensland terms. It noted that local planning instruments should not regulate building work where that is already dealt with under the Building Act framework, and recommended that the Minister should be able to require local governments to remove offending provisions.

The 2025 Queensland Productivity Commission has now recommended an independent review of the Planning Act and Building Act interface, including the hierarchy of the Acts, consistent terminology, definitions of development and building work, and consistency of processes.

That recommendation should be treated as urgent housing productivity reform.

### **3. Human impact**

The costs of regulatory overlap are not abstract.

When approvals are slow or uncertain:

- builders carry idle labour and higher holding costs
- consultants are paid to rework plans rather than improve outcomes
- certifiers and applicants are left trying to interpret inconsistent rules
- small builders and regional firms struggle under administrative burden
- projects become less feasible
- buyers and renters pay more
- younger people and lower-income households are pushed further from jobs, transport and family support.

The 2025 QPC report found Queensland construction productivity is only 5 per cent higher than in 1994–95, while labour productivity in the broader market economy grew by 65 per cent over the same period. It also found productivity has declined by around 9 per cent since 2018.

That matters because the QPC estimated that, had 2018 productivity levels been maintained and directed into housing construction, Queensland could have delivered around 77,000 additional dwellings.

This is the human point: regulatory burden is not just paperwork. It is homes not built, rent not reduced, and families waiting longer.

## **4. Response to Information Request 1: Which regulatory reforms should governments prioritise?**

Governments should prioritise five reforms.

### **4.1 Separate planning and building regulation**

The first reform should be a clear statutory boundary between planning regulation and building regulation.

Planning schemes should not impose technical building requirements already dealt with by the NCC, Building Act, QDC or equivalent state building frameworks unless the requirement is expressly authorised and justified.

This aligns with the 2004 Productivity Commission recommendation for clearer delineation between planning and building regulation. It is also consistent with the Wallace Review's recommendation that local planning instruments should not contain provisions regulating building work and that Ministers should be able to require their removal. It is now reinforced by the 2025 QPC recommendation for an independent review of the Planning Act and Building Act interface.

### **4.2 Require cost-benefit analysis for local variations**

The QPC recommends that local variations from Queensland Development Code (QDC) design and siting requirements should only be permitted where net benefits to the community are demonstrated through cost-benefit assessment. It also recommends guidance to local governments and consideration of a central public register of variations.

That should be adopted.

Where a local planning scheme adds cost, reduces yield, restricts housing type or imposes additional design requirements, the public should be able to see:

- the problem being solved
- the options considered
- the expected housing-supply impact
- the cost to applicants and future buyers
- the evidence that benefits exceed costs.

### **4.3 Increase housing capacity around transport and services**

The QPC found that within Brisbane, much land close to the CBD and high-capacity rail remains effectively low density or constrained by character overlays. It noted that 69 per cent of residential land within 1 kilometre of high-capacity rail is effectively zoned for low density or constrained by character overlays.

That is not an efficient use of public infrastructure.

The QPC's modelling found targeted zoning reforms in well-located areas, including around transport hubs, could deliver net benefits of up to \$48 billion and reduce dwelling price growth by as much as 64 per cent.

Governments should prioritise zoning reform where infrastructure already exists.

### **4.4 Standardise overlays and remove unnecessary character constraints**

The QPC recommends that zoning and overlays should impose the minimum necessary restriction to achieve their objectives. It recommends considering removal of character zoning from the Planning Regulation, more precise zone definitions, standardised overlays, and state responsibility for additional flood and bushfire requirements.

That is sensible. Character, flood, bushfire and other overlays may have legitimate purposes, but they should not become broad, blunt restrictions that prevent housing in well-located areas without a proper net-benefit test.

#### **4.5 Improve planning data and accountability**

The QPC recommends a statewide digital planning portal and a growth monitoring entity to report on land supply, approvals, refusal rates, timeframes, planning court outcomes and bottlenecks.

This is essential. Without transparent data, planning reform becomes a contest of opinions. Governments need to measure what is happening and publish it.

### **5. Response to Information Request 2: Which approval steps are most onerous, time consuming and costly?**

The most onerous parts of the approval process are not always the technical reports themselves. The biggest burden often comes from duplication, uncertainty and back-and-forth assessment.

The QPC found approval processes can create delays and uncertainty, increasing costs through idling of labour and capital, higher financing costs and holding costs. It also noted stakeholder evidence that some townhouse developments may require more than 30 approvals from local councils and statutory bodies.

The most problematic approval steps are:

- planning assessment that revisits matters already dealt with by building regulation
- inconsistent interpretation between local government officers
- local variations to QDC or other design and siting requirements
- overlays that trigger additional assessment without clear proportionality
- repeated information requests and “stop the clock” processes
- referral triggers that are not regularly tested for tangible community benefit
- conditions imposed late that require redesign or re-documentation.

Wallace recommended a review of referral triggers to determine whether they provide tangible community benefits, reduce risks and can be delivered more cost-effectively and efficiently.

That same test should apply across housing approval processes.

The burden could be reduced by:

- removing duplication between planning and building assessment
- requiring local governments to provide reliable planning compliance advice to certifiers
- creating standardised digital lodgement and tracking
- publishing approval performance data by council and application type
- requiring cost-benefit analysis for local variations and overlays that materially affect housing feasibility
- reducing referral triggers that do not produce measurable risk reduction.

### **6. Response to Information Request 3: Which recent approval reforms have been effective?**

Some reforms are useful, but only if the underlying rules are clear.

The QPC noted examples of good practice, such as Brisbane City Council’s Special Assessment Unit for complex high-priority development and Ipswich City Council’s free pre-lodgement service.

These types of reforms help because they improve coordination and reduce uncertainty.

However, fast-track pathways will not solve the deeper problem if the underlying planning controls remain inconsistent, overly discretionary or commercially unrealistic.

The QPC noted that the state-facilitated development pathway remains underused, partly because mandatory affordable housing requirements can increase costs and make the pathway unattractive for developers.

The lesson is clear:

- fast-track pathways must be commercially usable
- criteria must be objective
- the process must avoid adding new policy burdens that defeat the purpose of streamlining
- approval bodies must have the power and expertise to resolve conflicts, not just move applications between agencies faster.

AI and digital tools may help, but they cannot fix unclear regulation. Faster processing of confusing rules is not reform. It is faster confusion.

## **7. Response to Information Request 4: Which zoning and land-use controls most limit new housing supply?**

The most limiting controls are:

- low-density zoning in well-located areas
- character overlays
- rigid height limits
- minimum lot sizes
- parking requirements
- inconsistent flood and bushfire overlays
- local design and siting variations
- planning provisions that duplicate building regulation
- infrastructure constraints that make zoned land not genuinely development-ready.

The QPC found planning regulation can add up to \$137,000 to a Brisbane character-zone townhouse, up to \$117,000 to an inner-city apartment and more than \$160,000 to a detached house on Brisbane's urban fringe.

The QPC also found that planning regulation is often the largest regulatory cost component for housing and that inconsistent local variations increase complexity, reduce standardisation and hinder innovation.

The benefits of land-use controls should still be recognised. Planning controls can manage hazards, protect genuine heritage, coordinate infrastructure and reduce negative impacts on neighbours.

But those benefits must be tested. Controls should not survive simply because they are familiar.

## **8. Response to Information Request 5: How important are land release, subdivision and titling?**

Land release is important, but it is not enough.

A parcel of land is not truly housing supply just because it is mapped or zoned. It must be:

- where people want or need to live
- capable of supporting housing types people can afford
- serviced by infrastructure or capable of being serviced
- commercially feasible
- capable of being approved without excessive uncertainty.

The QPC makes this point clearly. It notes land supply is only construction-ready if it is in locations where people want to live, allows housing forms people want and can afford, and has infrastructure connected or a feasible pathway for connection.

Planning schemes can overstate supply where land is constrained by overlays, fragmented ownership, infrastructure gaps, minimum lot sizes or low-density controls.

Governments should report not just theoretical zoned supply, but feasible supply.

## **9. Response to Information Request 6: How do development contributions affect feasibility?**

Development contributions and infrastructure charges affect feasibility where they are uncertain, poorly sequenced, or require individual projects to fund broader community infrastructure.

Basic infrastructure that directly services a development can reasonably follow a user-pays principle.

But broader social infrastructure or network upgrades should not be automatically loaded onto individual housing projects without examining:

- who benefits
- whether the charge reflects efficient long-term cost
- whether it affects feasibility
- whether it delays or prevents housing supply
- whether there are better funding mechanisms.

The QPC recommends an independent review of infrastructure planning, funding, charging, coordination and delivery, including whether charges align with long-term costs and whether infrastructure funding supports infill development where appropriate.

That review should be supported.

## **10. Response to Information Request 7: What other infrastructure regulations should be reformed?**

Infrastructure regulation should be reformed to improve sequencing, accountability and coordination.

Housing projects are delayed when infrastructure providers, councils and state agencies each impose requirements without a single accountable view of timing, feasibility and cost.

The QPC recommends reviewing infrastructure planning, funding, charging and delivery to ensure infrastructure is planned and coordinated with future housing needs and that incentives support efficient use of existing and future infrastructure.

The reform priority should be:

- clear infrastructure sequencing
- transparent charges

- timely utility connections
- consistent standards
- published performance indicators
- better coordination between utilities, developers, councils and state agencies.

## 11. Recommended reforms

### Planning and building separation

- Establish a clear statutory rule that planning instruments must not impose technical building requirements already dealt with by the NCC, Building Act or equivalent state building legislation.
- Require all existing local planning schemes to be audited for provisions that duplicate or conflict with building regulation.
- Require offending provisions to be removed unless expressly authorised and justified by cost-benefit analysis.

### Cost-benefit discipline

- Require cost-benefit analysis for local planning provisions that materially affect housing yield, building form, design, siting, feasibility or construction cost.
- Require local QDC variations to demonstrate net community benefit.
- Create a public register of local variations and their supporting analysis.

### Zoning reform

- Increase housing density around transport hubs, activity centres and existing infrastructure.
- Remove or substantially reform character zoning where it prevents well-located housing supply without clear evidence of net benefit.
- Standardise flood, bushfire and other overlays.
- Ensure zoning and overlays impose the minimum necessary restriction to achieve their objectives.

### Approval reform

- Create a statewide digital planning portal.
- Require standard application lodgement, tracking and reporting.
- Publish approval performance metrics by local government and application type.
- Expand commercially usable state assessment pathways for significant housing.
- Reduce unnecessary referral triggers.

### Infrastructure reform

- Conduct an independent review of infrastructure planning, funding, charging and delivery.
- Ensure infrastructure charges reflect long-term efficient costs.
- Improve coordination between infrastructure providers and approval bodies.
- Report whether land supply is genuinely construction-ready.

### Accountability and monitoring

- Establish a growth monitoring entity to report on feasible land supply, approvals, refusal rates, timeframes, court outcomes and bottlenecks.
- Set local government housing targets for construction-ready land, development rights and approvals.
- Require local governments to explain underperformance.

## 12. Closing comment

The problem has now been documented across decades.

The 2004 Productivity Commission warned that local planning powers were eroding national building consistency.

The 2014 Wallace Review identified Queensland's complex web of building and planning regulation and recommended action where local planning instruments improperly regulate building work.

The 2025 Queensland Productivity Commission has now recommended review of the Planning Act and Building Act interface, cost-benefit testing of local variations, zoning reform, planning portal reform and stronger growth monitoring.

This is not a new problem. It is an old problem that has been allowed to keep growing.

Housing supply reform should begin with a clear rule: planning schemes should plan, building codes should regulate building work, and any additional local requirement that adds cost or reduces supply should prove its worth before it is imposed.

## References / source documents considered

- Productivity Commission, Reform of Building Regulation, Research Report, 2004.
- Andrew Wallace, Final Report: Review of the Building Act 1975 and building certification in Queensland, 2014.
- Queensland Productivity Commission, Opportunities to Improve Productivity of the Construction Industry, Final Report, October 2025.