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**Submission: Creating a more dynamic and
resilient economy**

Abundant Housing Network Australia | June 2025

WHO WE ARE

The Abundant Housing Network Australia is a national alliance of independent, grassroots campaigners working to build a new vision for housing and cities—one that's more sustainable, liveable and affordable for everyone.

Our members — Greater Canberra, Greater Brisbane, Sydney YIMBY and YIMBY Melbourne — came together in 2023 to forge a new urbanist politics that brings together renters, homeowners, planners, transport advocates and all lovers of cities.

We represent thousands of people across Australia who want to see their cities grow and mature, who want secure and affordable rentals and who want to live near their families, friends and communities — but who feel drowned out by a debate dominated by a few loud voices.

We believe housing abundance—**building more homes where people want to live**—is key to solving the housing crisis and building the kind of cities people love.

Abundance gives everyone greater choice in where they live, gives renters better bargaining power, encourages better use of public infrastructure, and is more environmentally sustainable than sprawl.

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ACKNOWLEDGEMENT OF COUNTRY

The Abundant Housing Network Australia acknowledges the Traditional Owners of Country throughout Australia and their continuing connection to land and community. We would like to pay our respects to their Elders, past and present.

A broken housing system hurts First Nations people more sharply than others and housing equity is a step on the path of justice and reconciliation we have failed to take.

We acknowledge that we are on stolen land and that sovereignty was never ceded.

This always was and always will be Aboriginal land.

Introduction

We recognise that the scope of this inquiry is tangential to solving Australia's housing shortage; however, the scale and fundamental nature of the crisis means it is deeply intertwined with all aspects of Australia's economy. As Jessy Wu, a former venture capital investor, recently put to the Australian Financial Review:

And crucially, we need to resolve the supply side of the housing crisis. **When Australians have to dedicate vast portions of their income to housing, that capital isn't being deployed towards productive investments like starting businesses or backing start-ups.** Far more than a super tax, median house prices that are 10 times median incomes strangle entrepreneurial risk-taking and investment.¹

Reducing the complexity and regulatory burden in Australia's homebuilding sector can, will, and must play a foundational role in improving the dynamism and resilience of our economy.

¹ Jessy Wu, [*If the super tax kills Aussie aspiration, our aspiration is too small*](#), Australian Financial Review, May 25, 2025

Recommendations

1. The National Competition Policy should be expanded to include residential zoning reform
 - a. Introduce a national minimum density to increase viable housing supply
 - b. Introduce a national codification standard to speed up planning processes and housing delivery
2. The Federal Government should provide a framework for state and local governments to measure and report the material outcomes of land use policy
3. Public statutory authorities should introduce frameworks for certified private delivery of public infrastructure
4. National occupational licensing reforms should be expanded to cover the full construction sector, and is the preferred framework over and above automatic mutual recognition

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The National Competition Policy should be expanded to include residential zoning reform

The National Competition Policy is currently incentivising states to undertake land use reform centred on commercial use. These sorts of reforms, by the Productivity Commission's own measurement, have in the past been nothing short of a rousing success.²

The National Competition Policy should broaden the scope of land use reforms to include residential zoning as well as commercial zoning. The Policy should ensure that states are reforming their planning systems to enable both

1. A greater amount of viable housing capacity, and
2. A more streamlined process for getting that housing built.

The Federal Government could substantially increase viable housing capacity should be enabled through a **national minimum density**.

The Federal Government could significantly speed up the planning process through a **national codification standard**.

We explore both of these below through adapted excerpts from our federal election policy booklet, [The Brick Book](#), and YIMBY Melbourne's recent [submission](#) to *Inquiry into Victoria Planning Provisions amendments VC257, VC267 and VC274*.

National minimum density: the Townhouse Accord *Auckland-style upzoning—for all of Australia*

Australian cities face few geographical constraints. Even our coastal cities are able to sprawl in multiple directions with relative ease, which has led capitals like Melbourne, Sydney, and Brisbane to be some of the world's largest in terms of surface area.

This sprawl has not come without a cost. With the bulk of housing being built on the outskirts of our cities, younger and poorer families are being pushed further and further out as time goes on. This creates poverty traps and enshrines geospatial inequality into our cities.

This has not happened accidentally; it is the result of policy decisions that have made detached, single-family homes on greenfield land the easiest form of housing to build. This reliance on sprawl has reached breaking point, and is no longer aligned with the needs of the highly urbanised and services-focused Australian economy.

² [Victoria's Commercial Land Use Zoning: Productivity Reform Case Study](#), Productivity Commission, July 2020

Times have changed, and the housing crisis demands our action.

The Federal Government should, through the National Competition Policy, introduce a National Townhouse Accord (NTA), enshrining a minimum residential density to be permitted without discretion across all of Australia.

This would, in effect, enable townhouses and units of up to three storeys to be built in all of our nation's established areas.

Townhouses offer a more affordable housing option that is both low-impact and well-suited for the middle-ring suburbs of our cities. Unlocking their potential on a national scale is critical to solving the chronic housing shortage, as townhouses are able to be built by a broad number of firms—including “mum and dad” developers looking to capitalise on their land when downsizing and ageing in place.

This policy recommendation would implement upzoning similar to that which was so successful in Auckland—where up to three storeys can be built without a discretionary permit. The success of the Auckland reforms underlines the critical role that townhouses can play in boosting housing supply, with 68% of the city's dwelling permits in 2022 taking advantage of the new, post-upzoning rules.³

The results from Auckland are consistent with the broader literature that highlights how non-discretionary processes result in faster approvals and greater certainty—crucial to unlocking the housing supply Australia so desperately needs.⁴

³ Greenaway-McGrevy & Jones (2023), '[Can zoning reform change urban development patterns? Evidence from Auckland](#)', University of Auckland

⁴ Manville, M., Monkkonen, P., Gray, N., & Phillips, S. (2022), '[Does Discretion Delay Development? The Impact of Approval Pathways on Multifamily Housing's Time to Permit](#)', Journal of the American Planning Association, 89(3), 336–347. 1

Building standards are already set federally through the National Construction Code, but planning standards are not. This has led to the development and enforcement of restrictive and arbitrary rules at the state and local levels, to the great detriment of Australian housing supply and economic efficiency.

Now is the time for the Commonwealth to show leadership, spearheading a National Townhouse Accord to develop consistent and clear rules around density that can be implemented nationwide to unlock a townhouse revolution.

They can use the revitalised National Competition Policy to incentivise the adaptation of the National Townhouse Accord for a consistent zoning code for townhouses and low-rise housing across Australia.

Example density standards	
Applicable zones	Residential zones
Types of homes permitted	Townhouses, flats, detached homes
Maximum height	3 storeys or 12m
Minimum setback from street	4m
Permitted site coverage	60% of site
Minimum landscaped area	20% of site
Assessment process	Code-assessed
Parking	Demand-driven
Minimum lot size	100m ²

Planning rules should be simple, and provide a flexible envelope for development.

This reform can be modelled on Victoria's Townhouse and Low-rise Code and New Zealand's Medium Density Residential Standards, which have allowed for broad, consistent, and clear rules for building the diverse housing options that are desired by Australians.

National codification standard: expanding what's already working across the country

Australia has an extremely fragmented land use regulatory system. Even within states, land-use regulations can often vary significantly between neighbouring local councils. In most cases, these councils are also not required to benchmark the performance of their regulations, and the outcomes of their policy settings are not usually assessed.

This highly fragmented and under-accountable regulatory regime needs to be standardised to give the homebuilding sector the confidence they need to scale. The problems with the prevailing lack of scale within the homebuilding sector has recently been outlined within the Committee for Economic Development Australia's *Size Matters* report:

Over time, the work required to lodge development applications and comply with planning and construction rules has increased significantly. For example, the development application to build a three-storey block of apartments in Sydney in 1967 was 12 pages long. Today an equivalent building would require extensive structural, environmental, traffic and often heritage assessment, meaning applications are many hundreds if not thousands of pages long.

This can prevent new firms from entering the local market and prevent productive firms from growing. Where there is more regulation or it adds greater uncertainty to large housing projects, firms are more likely to prefer smaller projects that are better suited to smaller, less productive firms. This exacerbates geographic segmentation, makes it harder for firms to grow and reduces the incentive to invest in technology.⁵

The goal of a national codification standard should be to grant firms the confidence to replicate housing and development projects across different local government areas. Reducing the land use regulatory fragmentation is essential to enabling more construction sector firms to reach the scale required to deliver the housing our nation needs to underpin a dynamic and resilient economy.

The below is an edited extract from YIMBY Melbourne's [submission](#) to *Inquiry into Victoria Planning Provisions amendments VC257, VC267 and VC274* in which we make the case for codification of planning controls for developments up to three-storeys and the subsequent turning off of third-party appeals for complying developments.

⁵ Wilson and Brooks (2025), [Size Matters: Why Construction Productivity Is So Weak](#), Committee for Economic Development Australia,

Exemptions from third-party appeals are commonplace in Victoria's planning system

Exemptions from third-party appeals are a common feature in the Victorian Planning System. Broad exemptions are a feature of programs including:

- VicSmart,
- the Development Facilitation Program,
- the development of social housing under Clause 53.20, and
- Commercial 1 Zone developments.

The idea that the exemptions granted by these reforms are unique is simply contrary to the actual detail of the planning system as it exists.

Deemed-to-comply controls without third-party appeal is an emerging norm across Australia

Some have submitted to the inquiry that the Townhouse Code's deemed-to-comply controls and their associated removal of third party appeals are a radical departure from planning norms. However, when looking across state borders, it's clear that the Townhouse Code is drawing from best practice as employed across the myriad planning systems across Australia.

South Australia uses 'deemed to satisfy' controls

Under South Australia's planning system, a streamlined 'deemed to satisfy' pathway under the code assessment is available for developments that meet measurable requirements. The pathway will have no public notification requirements or third party appeal rights.

The ACT uses 'Code Track' to do deemed-to-comply assessment

Under ACT's 'Code Track', depending on the zone, permits are assessed on an objective quantified standard and are exempt from third party appeal.

Queensland exempts code-assessable developments from review

Under Queensland's planning system, third party appeals are limited to 'impact-assessable' developments and are exempted for 'code-assessable' developments, like those that follow under the Townhouse and Low-rise Code.⁶

⁶ [Opposing a Development Application](#), Caxton Legal Centre, 8 February 2023

5.8 Categories of development and assessment—Operational work		
The following table identifies the categories of development and assessment for operational work.		
Table 5.8.1—Operational work		
Zone	Categories of development and assessment	Assessment benchmarks
Any zone	Assessable development—Code assessment	
	If filling or excavation , where resulting in a retaining wall greater than 1m or an increase in depth or height of the ground level or finished design level by 1 vertical metre or more	Filling and excavation code Operational work code
	If filling or excavation for an artificial stormwater channel	Filling and excavation code Operational work code The applicable zone code
	If other operational work preceding a ROL or MCU which is assessable development	Operational work code Prescribed secondary code
	If prescribed tidal work	Prescribed tidal work code Prescribed secondary code The applicable zone code
	Assessable development—Impact assessment	
	If extracting gravel, rock, sand or soil from the place where it occurs naturally	The planning scheme including: Extractive industry code
	Accepted development	
	Any other operational work not listed in this table.	
	Editor's note—The above categories of development and assessment apply unless otherwise prescribed in the Regulation. Editor's note—The default category of assessment is accepted unless otherwise prescribed in the Regulation.	

Example of code assessment in Brisbane's City Plan

New South Wales uses 'complying development codes' to exempt terrace housing from third party appeal

Under New South Wales, terrace housing can be built under this 'complying development codes' which fast-tracks the development and construction approval and exempts it from third party appeal. This has been recently expanded to a wide range of areas under NSW's new Low and Mid Rise rules.⁷

Western Australia eschews third party appeals all together

Third party appeals aren't even a feature in many planning systems across the world, including some in Australia such as Western Australia. There is no evidence to suggest that WA is a worse place to live because of the lack of third party appeals.

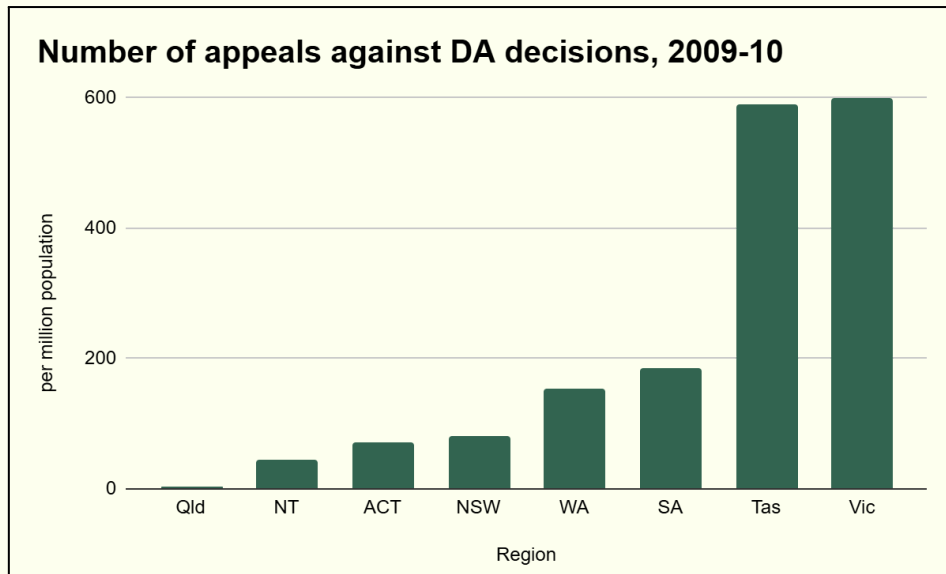
The National Construction Code uses 'deemed-to-satisfy' assessments

Even the National Construction Code operates with 'deemed-to-satisfy' assessment pathways, further highlighting how widespread these types of controls are in the urban development space.

This overwhelming evidence demonstrates that both codification and third party appeal exemptions are far from radical: rather, these reforms are a correction of a highly discretionary system, in favour of a system that provides greater certainty for all stakeholders.

That such systems have been deployed across Australia should ease any concerns that the Victorian housing reforms constitute any meaningful overreach, or deviance from prevailing planning norms.

⁷ [Exempt and complying development policy](#), NSW Government



Victoria's highly broad third party appeal rights are abnormal in a national context⁸

Research shows that 'deemed-to-comply' planning processes increase system efficiency and deliver more homes

Research from the Transit-Oriented Communities (TOC) program in Los Angeles provides a case study of the impact codification has on the development of multi-family housing.⁹ In this case study, code-assessed developments were processed 28% faster and with less timeline variance than their discretionary equivalents.

This is consistent with Gabriel and Kung (2025) which found that code-assessed developments had faster approval times by an average of 192 days.¹⁰

As far as we are aware there is no research that has found code-assessable frameworks to have a negative impact on permitting timeframes and efficiency—despite the claims by some submitters to the Inquiry.

Slow permits cost the government money, and kill housing supply

One of the most recent reviews of the Victorian planning system, 2021's Turning Best Practice Into Common Practice indicated that the cost of planning delays within the state was in the realm of \$400–600 million per year.¹¹ This is no small figure, and directly drives up the costs of housing across our state.

A previous AHURI investigation measured how approval delays impact investment decisions by modelling hypothetical development projects (land subdivisions, apartments, townhouses, etc.) using real-world cost and revenue data to measure how

⁸ [Planning, zoning and development assessments](#), Productivity Commission, 16 May 2011

⁹ Manville et. al, '[Does Discretion Delay Development? The Impact of Approval Pathways on Multifamily Housing's Time to Permit](#)', Journal of the American Planning Association, 89(3), 336–347

¹⁰ Gabriel, and Kung (2025), '[Development Approval Times and New Housing Supply: Evidence from Los Angeles](#)'

¹¹ [Turning best practice into common practice](#), Victorian Government, 2021

policy changes—e.g. longer approval wait times altered project viability.¹² They found that imposing an additional 6-month delay prior to construction significantly eroded project viability. Under this delay, the internal rate of return fell by about 17% for a typical apartment project and 27% for a townhouse project when approvals. In order to compensate for lower returns, the final sale prices had to rise by between 3.5 and 5.4 per cent—or around \$37,500 on a \$750,000 dwelling.

Delays shrink margins on projects, and reduce the viability of more marginal projects. In practical terms, these delays can cause developers to abandon or postpone projects, directly reducing housing output.

The impact of delays has been measured globally. In Los Angeles, Gabriel and Kung (2025) found that “reductions of 25% in duration and uncertainty of approval times would increase the rate of housing production by 13.5%, simply by pulling forward in time the completion of already started projects”.¹³ More importantly, they also found that once they “[accounted] for the effect of incentivising new development [they] find that same 25% reduction in approval time could increase the rate of housing production by a full 24.6%.”



These findings build upon innumerate other studies demonstrating the link between planning delays and reduced housing supply, with case studies ranging from Baltimore to Tel Aviv to America and Canada writ-large.¹⁴

Time and time again in these case studies, the jurisdictions with the longest approval waits—often accompanied by more public hearings, veto points, and planning hurdles—also have the smallest housing stock increases.

¹² Rowley et al., '[Understanding how policy settings affect developer decisions](#)', AHURI, August 2022

¹³ Gabriel and Kung, '[Development Approval Times and New Housing Supply: Evidence from Los Angeles](#)', 25 Feb 2025

¹⁴ Wrenn and Irwin, '[Time is money: An empirical examination of the effects of regulatory delay on residential subdivision development](#)', Regional Science and Urban Economics, Volume 51, 2015, Pages 25-36

Rubin and Felsenstein, '[Is planning delay really a constraint in the provision of housing? Some evidence from Israel](#)', Papers in Regional Science, Volume 98, Issue 5, 2019, Pages 2179-2201

Green et. al, '[The Impact of Land-Use Regulation on Housing Supply in Canada](#)', Fraser Institute, July 2016
'[Is Your Town Building Enough Housing?](#)', Trulia Research, July 19, 2016

Extended planning timelines cost people time and money, to the tune of a half billion dollars a year. They also cost us housing—housing that we desperately need, built not after some extended delay, but built quickly, at pace, and for all those who just want a place to call home.

The Federal Government should provide a framework for state and local governments to measure and report the material outcomes of land use policy

Embedded in the complex systems of cities are select key data points that should guide policy making. While not an exhaustive list, for the purposes of this discussion, we have selected four key measurable outcomes for consideration within any set of land use policy reporting framework:

- Rental vacancy rates
- Labour market participation
- Travel time between key locations, per transport mode
- Air quality

These are important and robust figures. They are measurable without self-report, and can be standardised for analysis at the level of the individual, as well as across geographies and demographics. They are also key indicators of any given city's success. We discuss each one separately below.

Material examples of land use policy outcomes

Rental vacancy rates



As discussed earlier, great cities should be affordable. This means providing abundant housing where people want to live, maintaining a 3–5% rental vacancy rate at the level of both the neighbourhood and the city, ensuring that the majority of inhabitants do not experience rent stress.

A 3% level of vacancy gives renters greater bargaining power in the market, and enables mobility for individuals and families looking to move across the entire city.¹⁵ As per Saunders & Tulip's 2018 *A Model of the Australian Housing Market*, "the dominant influence on real rents is the vacancy rate".¹⁶ On the other end of the spectrum, low vacancy rates and high absolute rents are the strongest predictors of homelessness.¹⁷

For the sake of all those living in our cities, we must ensure our most productive places remain affordable, so that everyone can benefit from our economic centres. Measuring rental vacancy rates as an indicator of urban policy success will be a key part of enabling that to happen.

Labour market participation

Cities are, at their essential core, labour markets. The reason cities have emerged throughout history without the need for central planning is that they offer labour markets in which large numbers of people are able to find competitive advantage.

Alain Bertaud dedicates the full second chapter of his work *Order without Design* to this topic.¹⁸ From a review of the literature, Bertaud uses the working definition of labour market participation as access to jobs within 60 minutes' travel, with the effective size of a city's labour market being "the average number of jobs per worker accessible in a 1-hour commute".¹⁹ ²⁰

It is worth noting that effective labour market size is not just about measuring transit times to a given city's CBD. Rather, it is about measuring the transit time of all workers to all jobs. While quantifying effective labour market size is outside the scope of this submission, we can use a quick geographic example from Melbourne.

¹⁵ [Budget Paper No. 1, 2024–25 Budget](#) (Australian Treasury, 2024)

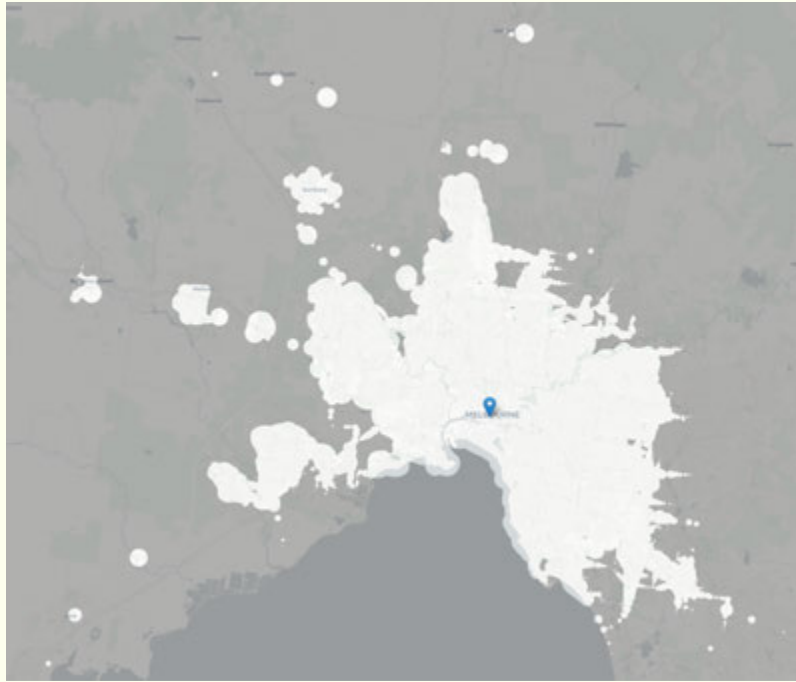
¹⁶ Saunders, Trent and Peter Tulip, '[A Model of the Australian Housing Market](#)' (Economic Research Department, Reserve Bank of Australia, 2019)

¹⁷ Colburn, Gregg, 1972– and Clayton Page Aldern, *Homelessness Is a Housing Problem: How Structural Factors Explain U.S. Patterns*. Oakland, California, University of California Press, 2022.

¹⁸ *Alain Bertaud, Order without Design: How Markets Shape Cities* (Mit Press, 2018)

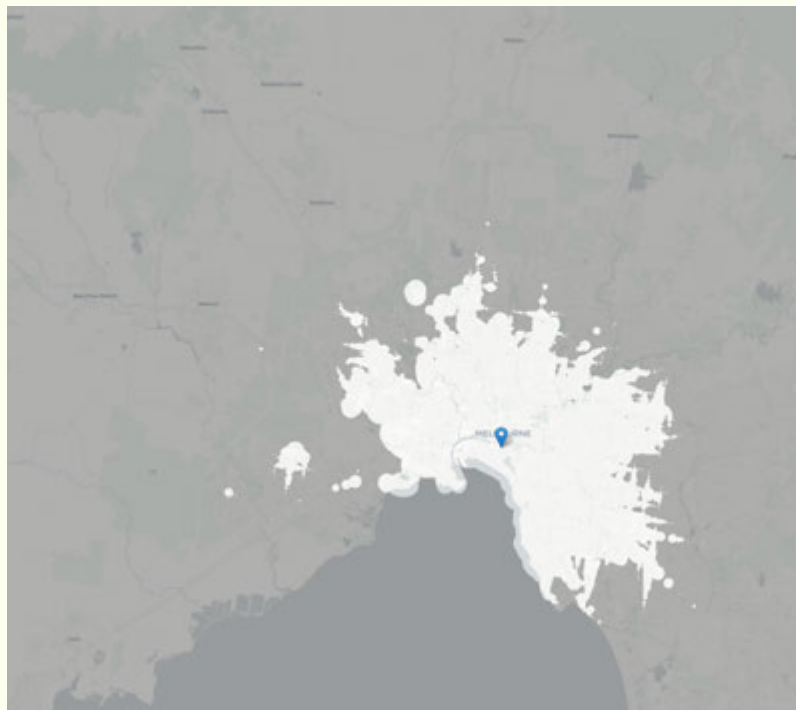
¹⁹ Rémy Prud'homme and Chang-Woon Lee, "Size, Sprawl, Speed and the Efficiency of Cities," (Observatoire de l'Économie et des Institutions Locales, Université de Paris, 1998)

²⁰ Patricia Melo, Daniel Graham, David Levinson, and Sarah Aarabi, "Agglomeration, Accessibility, and Productivity: Evidence for Urbanized Areas in the US," paper submitted to the Transportation Research Board, Washington, DC, 2013.



Access to Melbourne's CBD within 60 minutes via public transport. Source: [Mapnificent](#)

Due to the radial design of Melbourne's public transport network, access to the CBD within 60 minutes via public transport extends across much of the city. But most people do not work right above Flinders Street Station. Move the destination to South Melbourne, one kilometre south of the CBD, and you get a very different impression.



Access to South Melbourne within 60 minutes via public transport. Source: [Mapnificent](#)

The area of the city with effective access to jobs even in South Melbourne is significantly smaller than access to jobs in the CBD. Move the destination even further from the city centre and you see even larger changes.



Access to Collingwood, Brunswick, and Cremorne within 60 minutes via public transport. Source: [Mapnificent](#)

Cities should aim to maximise labour market participation, and this level of participation should be a metric of policy success. Cities across Australia will likely find that the easiest way to meet this policy goal will be to allow homes to be built in areas with already strong access to the majority of the city's jobs.

Travel time

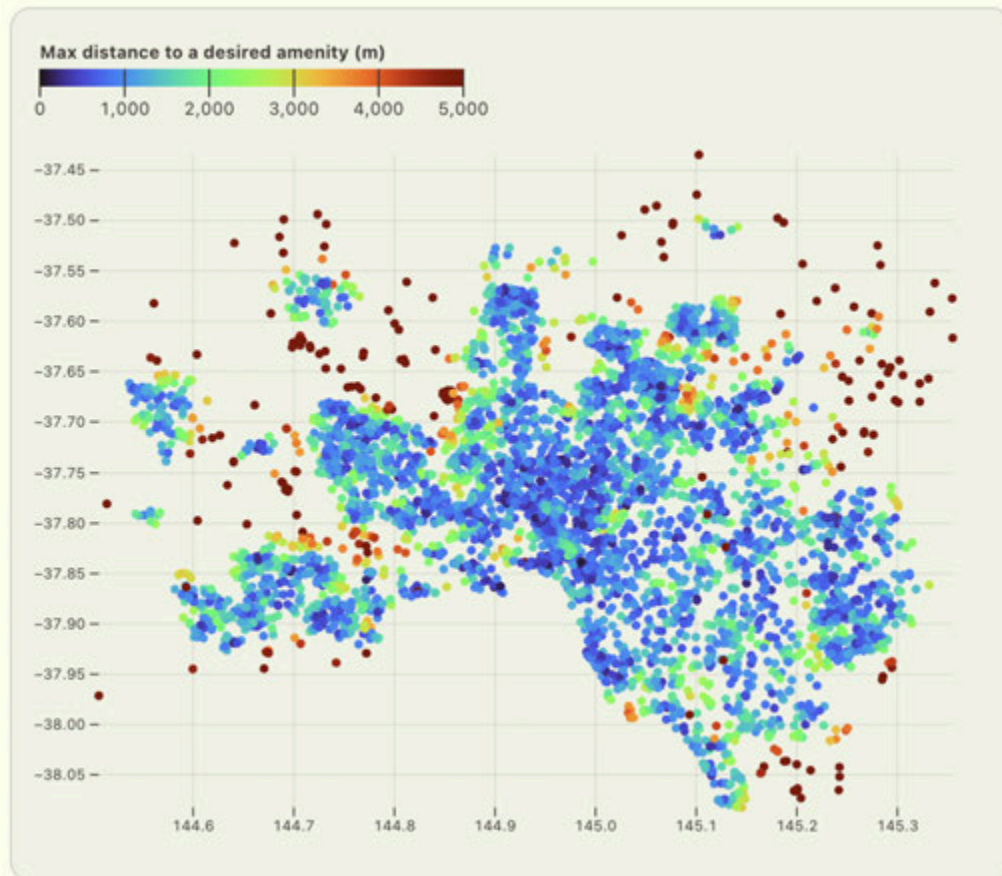
As above, labour market participation is measured in part by understanding travel time. However, to and from work is not the only travel a given individual will undertake within a city. A successful city should also measure travel time to other key amenities and infrastructure, such as grocery stores and green space.

This travel time should be measured by various modes of transport, and should be measured from each individual lot in a city. Modern open data, such as OpenStreetMap,²¹ makes this sort of analysis simple.

Take for example YIMBY Melbourne's work-in-progress Walkability Index.²² This tool, built entirely from public data, measures the walkability of every single lot in Melbourne to key amenities, including grocery stores, libraries, parks, and schools. Performance can be measured at the level of an individual lot, or across an entire city.

²¹ [API](#), OpenStreetMap

²² [Walkability Index \(WIP\)](#), YIMBY Melbourne



Travel distance to the closest park and school from each individual lot in Melbourne, aggregated. Source: [YIMBY Melbourne](#)

This sort of data should be collected and measured as part of the policy goal of ensuring equitable access to amenity—a goal which can be maximised by densifying around existing infrastructure, and building more homes where people want to live.

Air quality

Densification is a broadly positive process, with enormous benefits for the city and its inhabitants. As such, this submission focuses mostly on reforms which enable urban places to maximise their beneficial traits.

However, one key externality of living in cities is exposure to increased air pollution.

Under current planning configurations, the bulk of new homes are built on main roads—our cities' most polluted corridors. These homes are subject to greater exposure to pollution, with negative health impacts for those living there.^{23,24} These planning decisions seem to be underpinned by the political power of wealthy landowners, rather than by empirical evidence and a desire for equitable outcomes.

²³ Xiong, Jing et al, '[Associations of Bedroom Temperature and Ventilation with Sleep Quality](#)' (2020) 26(9) *Science and Technology for the Built Environment*

²⁴ Sekhar, Chandra et al, '[Bedroom Ventilation: Review of Existing Evidence and Current Standards](#)' (2020) *Building and Environment*

Indeed, corridor density typologies represent contemporary urban planning at its worst.

It is key, then, that air quality is measured across our cities, and that we prioritise building homes in areas with less exposure to main road pollution, while fitting new builds with infrastructure such as energy recovery ventilators (ERVs) to ensure better energy efficiency and better air quality in inner-city homes.²⁵

Other priority outcomes

Any framework for assessment of land use policy outcomes may also want to consider other indicators of success beyond those listed above. All additional indicators of policy success should also meet the same standard of measurability as those examples given above.

Handling urban planning intangibles

Legacy urban planners may attempt to convince those crafting this policy that it should ensure to prioritise any number of intangible, subjective outcomes. These planning intangibles may include, for instance, the preservation of so-called neighbourhood character and heritage.

The costs of these intangibles should be adequately quantified by their advocates, including the opportunity costs of preservation and the costs of any subjective design preferences codified within urban plans.

These costs should be weighed up within any given framework against measurable, material priority outcomes, so as to ensure that material benefits for the majority of people are not being sacrificed for the unquantified and subjective preferences of a small but powerful minority.

²⁵ Jonathan Nolan, '[Designing bedrooms in cities for a better night's sleep](#)' (2023)

Public statutory authorities should introduce frameworks for certified private delivery of public infrastructure

The approval and delivery of trunk infrastructure by our public statutory authorities are processes plagued with timing issues. These problems have most notably been reported on in regards to our water authorities such as Melbourne Water and Sydney Water.²⁶ The impacts of these delays does not just slow the delivery of housing, but threatens project viability all together.

But delay is unlikely to be our statutory authorities' desired outcome. It is almost certainly a direct result of stretched capacity as these authorities balance the responsibilities of delivering new infrastructure and maintaining and renewing existing infrastructure.

It is worth noting that in many, many cases, the homebuilding sector pays directly for relevant infrastructure delivery. They also, by virtue of their industry, have the capacity to deliver that infrastructure themselves. What they're missing is a certifying framework within which to do so.

Many within the homebuilding sector have expressed that any additional costs of delivering infrastructure themselves would be lower than the holding costs they incur waiting on delivery by overwhelmed statutory authorities.

We should enable statutory bodies to leverage the comparative advantages of the private sector to deliver fully-certified public infrastructure. This would alleviate one major source of construction delays, while also incentivising the efficient and timely delivery of a public good.

We propose that the Productivity Commission investigate the implementation of a system to enable private developers to build the necessary trunk infrastructure currently delivered exclusively by statutory authorities. Statutory bodies would likely still be required to certify this infrastructure—but delivery could be done in full by the private sector. This approach has been outlined by the New Zealand Initiative, including several case studies.²⁷

Statutory bodies like Melbourne Water and Sydney Water already have frameworks for engagement with private third party contractors to construct the infrastructure they are mandated to deliver. They also handle certification of aspects of infrastructure built by developers before they can complete connection of these services. To enable

²⁶ Anthony Segart, [The one thing stopping people moving into hundreds of new Sydney homes](#), Sydney Morning Herald, November 28, 2024;

Adam Carey, [New housing on hold as Melbourne Water fails to act on flood plans](#), The Age, August 18, 2024

²⁷ Christoph Vojc, [A new tool for infrastructure delivery](#), New Zealand Initiative, February 16, 2024

private delivery of public goods would not constitute an organisational revolution, but rather a reconfiguration of existing internal processes.

The potential efficiency gains here are large and low-risk, and we highly recommend the Productivity Commission investigate frameworks for private delivery of necessary public infrastructure to promote a more dynamic homebuilding sector that faces fewer roadblocks at each step of the process.

National occupational licensing should be expanded to cover the full construction sector, and is the preferred framework over and above automatic mutual recognition

Discussions of construction worker shortages have centred on migration pathways and apprenticeship incentives—but reforms in these areas are likely to yield only limited benefits.

This is because a major constraint remains unaddressed: an inefficient web of state-based occupational licensing regimes. Policymakers should work to reduce friction and bring down barriers that keep Australians from entering and remaining within the construction workforce, regardless of their life circumstances.

The Federal Government recently announced efforts in this direction, with a national licensing scheme for electrical trades.²⁸ This is a good start, and will finally achieve the outcomes detailed in a 2013 Regulation Impact Statement (RIS) for a national occupational licensing scheme for electricians estimated this alone would boost annual GDP by almost \$30 million in today's dollars.²⁹

Empowering construction workers to freely move within the borders of our nation will enable the construction sector to better respond to shortages within Australia's various markets, and will help reduce the barriers to introducing more migrant workers into our construction workforce.

Without such a scheme, efforts to increase the number of skilled professionals—drawn both from Australia itself as well as traditional source countries—will continue to face substantial barriers.

We also recommend that the shape of this reform takes place through national occupational licensing, rather than automatic mutual recognition (AMR).

While automatic mutual recognition seems comparable on paper, there is a distinct lack of political and institutional support and consensus around that shape of reforms. Utilising AMR and risks adding unnecessary complexity to the current trajectory of occupational licensing reform.

The Commonwealth Government is pursuing a national licensing approach, as seen in the expansion of the National Competition Policy framework to design and implement such a scheme starting with the electrical trades.³⁰ We believe that the best path forward is additional focus on and reinforcing of the national licensing approach.

²⁸ [National licensing for electrical trades](#), Commonwealth Treasury, March 2025

²⁹ [National Licensing of Electrical Occupations – Decision RIS](#)

³⁰ [National licensing for electrical trades](#), Commonwealth Treasury, 23 March 2025