



A Mansion or No House – Fifty Years Later

Submission to the Productivity Commission Inquiry into Housing Supply Regulation August 2026

Executive proposition

In 1976 the Urban Development Institute of Australia published *A Mansion or No House*, a report by John Paterson, David Yencken and Graeme Gunn examining the effect of government standards and controls upon land and housing.

Fifty years later, Australia is confronting substantially the same fundamental question.

Do we regulate residential land so extensively, prescribe so many standards, require so many separate approvals and impose so many costs that the community is effectively offered a choice between housing built to an increasingly elaborate regulatory ideal and no housing at all?

The title of the 1976 report was deliberately provocative.

In 2026 it is again relevant.

The Productivity Commission is correct to identify land-use controls, housing-enabling infrastructure and approval processes as major constraints upon housing supply.

It identifies four principles for a best-practice housing regulatory system:

1. adopt a “build” mindset;
2. regulate only where necessary;
3. coordinate housing with infrastructure; and
4. keep the process simple.

The Commission also concludes that relaxing land-use controls is likely to have the greatest effect on housing supply, including broad-based upzoning, reduced minimum lot sizes and greater freedom to provide different housing forms.

I agree.

But my submission is that Australia should go further.

Housing policy should start from a presumption in favour of housing.

The question asked of a proposed development should cease to be:

“Why should this development be permitted?”

The starting question should become:

“Is there a sufficiently important public interest reason why these homes should not be built?”

That change in philosophy is more important than another housing target, another grant programme or another layer of planning policy.

The challenge is not simply to approve housing more quickly.

It is to create a planning and infrastructure system in which there is an abundance of places upon which housing can economically be produced.

1. Perspective from the Hunter

I have worked as a surveyor in Newcastle and the Hunter since 1988.

During that period I have seen the housing-development process change from one principally concerned with creating serviced residential land and dignified, safe dwellings into an increasingly complicated interaction between planning instruments, development controls, environmental requirements, infrastructure authorities, contribution plans, referral agencies, design standards and approval processes.

Each requirement may have an understandable origin.

The cumulative effect is the problem.

The Hunter does not suffer from an inherent physical shortage of land.

It suffers from a shortage of land which is simultaneously:

- appropriately zoned;
- capable of obtaining approval;
- serviced or capable of being serviced;
- free from unresolved infrastructure constraints;
- commercially feasible to develop; and

- capable of being converted into housing within a commercially reasonable period.

These are very different things.

Counting hectares of residentially zoned land therefore tells governments very little about actual housing supply.

Government should instead measure “housing-ready capacity”: land upon which a willing owner or developer can realistically commence the delivery of dwellings.

2. The lesson from 1976

A Mansion or No House examined standards legislation, zoning, subdivision, planned-unit development, open space, streets and drains, electricity supply, building regulation and other requirements affecting the production of housing.

Its enduring lesson is not that standards are inherently undesirable.

The lesson is that every standard has a cost.

A standard which appears desirable when considered individually can become counterproductive when combined with dozens of other individually desirable requirements.

The ultimate cost is not merely deducted from a developer's profit margin.

It becomes part of the cost of producing another dwelling.

Some costs may eventually be reflected in lower raw land values.

Others increase the minimum price at which development can proceed.

At the margin, the accumulation of costs makes projects unviable and the dwelling is simply never produced.

That is where housing regulation becomes housing prohibition.

The appropriate test for regulation should therefore be:

1. What identifiable harm is this requirement intended to prevent?
2. Is regulation necessary to prevent that harm?
3. Is the requirement proportionate to the risk?
4. What does it add to the cost and time required to produce a dwelling?

5. How many otherwise feasible dwellings will cease to be feasible because of it?
6. Could the same result be achieved through a less restrictive measure?

The cost of regulation must include the cost of housing that is never built.

3. Replace the “perfect dwelling” test with a “dignified, safe dwelling and consumer choice” test

Government has an essential role in protecting life, health, structural safety, neighbours, genuinely significant environmental values and other important public interests.

Government does not need to determine every attribute of the dwelling Australians should be permitted to purchase.

Beyond necessary minimum standards, consumers should be allowed substantially greater choice.

A household should be able to choose:

- a smaller house;
- a smaller lot;
- less private open space;
- less parking;
- a terrace;
- a duplex;
- a secondary dwelling;
- a townhouse;
- a manufactured home;
- an apartment;
- a compact seniors dwelling; or
- another dignified & safe and functional housing form.

The alternative to a smaller or less generously appointed dwelling is not necessarily a larger dwelling.

For an increasing number of Australians, the alternative is no dwelling that they can afford.

That is the continuing relevance of *A Mansion or No House*.

The planning system should increasingly regulate genuine external impacts and allow the consumer to determine private amenity.

4. Make three storeys the ordinary residential entitlement

I support the Productivity Commission's proposed broad-based right to develop up to three storeys on most residential land.

This should be taken further and converted into a simple complying-development envelope.

Within established urban areas, residential land should presumptively permit housing up to three storeys where objective requirements concerning matters such as structural safety, fire safety, flooding, bushfire and essential servicing are satisfied.

The planning system should regulate material external impacts.

It should not unnecessarily regulate matters of personal preference which can properly be determined by the purchaser.

This would allow the market to produce duplexes, terraces, manor houses, small apartment buildings and other forms of “missing middle” housing throughout existing suburbs rather than concentrating virtually all increased density into a small number of designated sites.

5. Reduce minimum lot sizes

Minimum lot sizes are one of the simplest examples of a regulation directly limiting housing supply.

Where sewer, water, access, drainage and an appropriate dwelling can be provided, governments should be required to justify why a larger parcel of land is necessary.

The objective should not be to make every allotment as small as possible.

It should be to permit the market to produce a range of allotment sizes.

A household wanting 800 or 1,000 square metres should remain free to buy it.

Another household should be equally free to purchase 250 or 300 square metres if that provides an affordable pathway into home ownership.

Housing choice requires both choices to exist.

6. Stop confusing zoned land with housing supply

Government reporting should distinguish at least five categories:

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1. land theoretically capable of residential development;
2. residentially zoned land;
3. zoned and serviceable land;
4. approved and infrastructure-ready land; and
5. commercially feasible housing-ready land.

Only the final categories provide a meaningful indication of near-term supply.

This distinction is particularly important in regional cities such as Newcastle and the Hunter.

Land can appear on a strategic plan for decades without producing a single dwelling.

Rezoning is not housing.

A development consent is not housing.

An infrastructure strategy is not housing.

A dwelling that can actually be financed, constructed, connected, sold or rented and occupied is housing.

Government performance should ultimately be measured in completed and occupied dwellings.

7. Restore a genuine reserve of land for future urban growth

There is another dimension to the land-supply problem which deserves much greater attention.

In New South Wales, the planning system has progressively changed not merely the density at which urban land may be developed, but the quantity of land which is realistically capable of becoming urban land.

The history of the Hunter illustrates the point.

The Northumberland County District Planning Scheme was prepared during the 1950s and came into force on 16 December 1960.

It contained, amongst other classifications, extensive areas zoned Non-Urban A.

The expression “non-urban” has been retrospectively treated as though every hectare so identified had been permanently removed from possible future urban consideration. This is wrong.

The scheme existed within a much less developed Hunter.

Large areas remained outside the urban zones, and future governments retained the capacity to determine which parts of that hinterland should subsequently accommodate growth.

During the 1980s the county and interim planning arrangements were progressively replaced by local environmental plans.

Lake Macquarie adopted its LEP in 1984.

Newcastle followed in 1987.

Port Stephens adopted an LEP in 1987.

Cessnock adopted its LEP in 1989.

The terminology changed. Non-Urban A land commonly became forms of Rural 1(a) land, together with increasingly differentiated rural, environmental and conservation zones.

Over succeeding decades the planning system also accumulated additional overlays and constraints associated with biodiversity, vegetation, bushfire, flooding, scenic protection, heritage, watercourses, mine subsidence, ecological communities and other matters.

Rural 1(a) became some form of environmental zone and now conservation zones.

Many of these controls protect legitimate public interests.

My point is not that such interests should disappear.

My point is that the cumulative effect upon the quantity of land realistically available for future housing has rarely been measured.

The effective pool of land from which future housing can be supplied has progressively narrowed.

This is a form of housing constraint which is easily overlooked because land removed from realistic consideration for housing never appears in a refused development-application statistic.

No report records the subdivision which was never proposed because the land could no longer realistically be considered for urban development.

No approval-time statistic records the houses which were never designed.

No housing target records the developer who never bought the land because the planning pathway was effectively closed.

Yet these forgone housing opportunities affect market supply just as surely as a refused application.

The Productivity Commission recognises that land-use controls can operate as regulatory bans and that the interaction of multiple requirements can create regulatory “thickets” that prevent or constrain housing.

That analysis should extend beyond land already zoned residential.

Australia must also consider the quantity of land retained in a condition from which future urban growth can occur.

A growing city requires not merely today's housing land.

It requires tomorrow's housing land and the land for the generation after that.

8. Create a strategic urban-growth reserve

Australia should restore the concept of a genuine strategic urban-growth reserve.

That does not mean every hectare between existing cities and towns should be developed.

It does not mean abandoning biodiversity, agricultural land, floodplain management, bushfire planning or other legitimate environmental protections.

It means recognising that land suitable for future urbanisation is itself an essential component of national infrastructure.

A strategic urban-growth reserve would preserve optionality.

Land could remain in rural, agricultural or other productive use for decades while nevertheless being recognised as potentially capable of urban conversion when population growth and infrastructure justify it.

Future urban investigation land should not automatically carry a right to develop.

Equally, it should not progressively accumulate controls which render future urban consideration impossible unless there is a sufficiently compelling public-interest reason.

When predetermined population, housing-demand or infrastructure triggers are reached, structure planning should commence.

That structure planning should determine:

- land capability;
- environmental assets requiring protection;
- transport requirements;
- water and sewer servicing;
- electricity and telecommunications;
- storm water disposal;
- employment land;
- schools and community infrastructure;
- open space;
- dwelling capacity; and
- the sequence in which development should occur.

The purpose should be to retain an abundant long-term pipeline from which properly planned urban land can be drawn as need arises.

9. Housing supply requires a range of land, not a single housing model

A functioning housing market requires abundant development capacity across the whole housing spectrum.

That includes land capable of producing:

- conventional detached residential allotments from approximately 300 square metres to 1,000 square metres or more;
- duplexes and semi-detached dwellings;
- terraces and attached housing;
- townhouses;

- low-rise and missing-middle housing;
- medium-density housing;
- higher-density housing;
- manufactured housing;
- seniors housing; and
- apartments in appropriate centres and corridors.

The answer to the housing shortage is not to decide that one form of housing is morally or environmentally preferable and attempt to force most future households into it.

Different households want and require different things.

Families require different housing from singles.

Young purchasers have different requirements from retirees.

Some households value a backyard.

Others value proximity to a railway station, beach, university, hospital or town centre.

Planning should provide sufficient capacity across all housing forms for people to make those decisions themselves.

Scarcity should not be used as an instrument of urban design.

We need detached housing and apartments.

We need greenfield housing and infill housing.

We need low, medium and high density.

The relevant policy is not “either/or”.

It is “and”.

10. A supply buffer is essential

Government planning should not seek to nominate precisely enough land to satisfy its forecast demand.

Forecasts are inherently uncertain.

Owners may not wish to develop.

Development finance may not be available.

Infrastructure may be delayed.

Physical constraints may emerge.

Market demand may move between locations.

Planning approvals may take longer than forecast.

Some projects will simply prove commercially infeasible.

If government forecasts a requirement for 10,000 dwellings and provides theoretical capacity for exactly 10,000 dwellings, it has not created balance.

It has created a shortage waiting to occur.

Housing capacity must materially exceed forecast demand.

That excess capacity is not waste.

It is the competitive buffer that enables the land market to operate.

11. Land competition matters

A strategic urban-growth reserve affects housing affordability even before all of that land is developed.

If the planning system permits only a handful of identified properties ever to become residential land, the owners of those properties possess a scarce regulatory privilege.

That scarcity becomes capitalised into land value.

Government has effectively manufactured a monopoly characteristic.

Conversely, where numerous competing landowners have a credible pathway to bring land forward as demand requires, competition remains in the system.

That competition limits the capacity of any one owner to withhold supply or demand an excessive scarcity premium.

Housing affordability therefore begins well before the house is built.

It begins with competition in the underlying supply of developable land.

12. The Hunter demonstrates why regional housing markets cannot be considered in isolation

The Hunter provides an unusually clear illustration of the interaction between metropolitan demand and regional housing supply.

Greater Sydney contained approximately 383,000 people at the 1891 census.

That was close to the time Palmer Bruyn commenced practice in Newcastle in 1889.

At 30 June 2025 Greater Sydney contained approximately 5.64 million people.

Sydney did not accommodate that population by freezing its nineteenth-century urban footprint.

It expanded.

New suburbs were created.

Infrastructure moved outward.

Former rural land became urban land.

New centres were established.

The same underlying demographic process continues today.

Newcastle and the Hunter are approximately 160 kilometres from central Sydney and increasingly form part of a connected eastern-seaboard housing, employment and investment market.

The Greater Newcastle housing-price indicator was approximately \$874,000 in the December quarter of 2025.

Sydney's median house price is substantially higher.

That price difference is one of the reasons the Hunter remains attractive to households, businesses and investors.

But that difference cannot be assumed to survive irrespective of planning policy.

As Sydney becomes more expensive, households look progressively further afield for housing they can afford.

If Newcastle, Lake Macquarie, Maitland, Cessnock and Port Stephens respond to increased demand by producing additional housing, the population can be accommodated with a less severe price response.

If supply is prevented from responding, the market adjusts through price instead.

That is basic land economics.

An increase in demand encountering an artificially constrained supply will increase the price of the existing stock.

The gravitational force of Sydney's housing market will progressively draw the price of housing in the Hunter upward.

The same principle applies elsewhere.

It applies north from the Hawkesbury through the Central Coast, Hunter, Mid North Coast and towards the Tweed.

It applies south from metropolitan Sydney through the Illawarra and South Coast towards Bega and Eden.

It applies to inland regional centres increasingly linked to metropolitan employment, capital and migration.

Regional affordability cannot be preserved simply by trying to preserve the physical form of regional cities.

It requires continuing housing supply.

13. Martin Place to Penrith; Hunter Street to Cessnock

There is a simple geographical comparison which demonstrates the point.

The road distance from Martin Place to Penrith is approximately 55 kilometres.

The road distance from central Newcastle to Cessnock is approximately 48 to 50 kilometres.

They are of a similar metropolitan scale.

No planner looking at Sydney today would contend that the land between Martin Place and Penrith was inherently incapable of housing Australians because substantial portions of it were once rural land.

Sydney grew westward because population required housing and successive generations provided urban land and infrastructure.

It is difficult to justify treating the comparable geography between Newcastle and Cessnock as though today's urban boundaries should somehow represent the permanent limits of settlement.

The corridor between Newcastle, Lake Macquarie, Maitland and Cessnock already contains:

- established towns;
- major roads;
- the Hunter Expressway;
- rail infrastructure;
- electricity networks;
- water and sewer infrastructure;
- hospitals;
- universities and schools;
- major employment centres;
- commercial centres; and
- established communities.

Not all land within that geography should be developed.

Some land is unsuitable because of flooding.

Some contains important environmental values.

Some is affected by bushfire or mine subsidence.

Some is valuable agricultural land.

Some is required for infrastructure.

Those areas should be identified and protected for reasons that can be explained and justified.

But after those constraints are properly identified, the remaining question should be:

Where within this large and already urbanising region can substantially more Australians live?

The planning system should answer that question positively.

14. Planning should identify opportunity, not merely impose constraint

There is a deeper problem in the way the New South Wales planning system conceptualises land.

Over time we have created what can fairly be described as a sea of overlapping controls intended to constrain, manipulate or influence the manner in which land may be used.

Each control tends to ask what must be:

- prohibited;
- restricted;
- retained;
- protected;
- offset;
- referred;
- studied; or
- subjected to further assessment.

The cumulative tendency is towards stasis.

But the society being planned is not static.

Population changes.

Households form.

Children leave home.

People separate.

People age.

People migrate.

Businesses grow.

Cities change.

A planning system serving a growing population must therefore perform two equally important functions.

It must protect things which genuinely require protection.

And it must positively provide for the needs of the future population.

Planning cannot simply preserve the current physical arrangement of land while population continues to increase.

People must live somewhere.

Every time one area is removed from housing consideration, the housing requirement is transferred to another area.

If enough areas are constrained simultaneously, the requirement does not disappear.

It reappears as:

- scarcity;
- higher land prices;
- higher dwelling prices;
- smaller household choices;
- overcrowding;
- delayed household formation;
- longer journeys to work;
- housing stress; and ultimately
- exclusion from home ownership.

The planning system therefore needs to move from a predominantly constraint-based model towards a capacity-based model.

For every major region government should be able to answer:

Where will the next 100,000 people live?

Where will the next 50,000 dwellings be built?

What mixture of detached, attached, low-rise, medium-density and higher-density housing will be available?

What infrastructure will serve those dwellings?

And what land is being preserved today so that the generation after that also has somewhere to live?

Those questions should be answered before the population arrives.

15. Infrastructure must follow housing

The current system too often identifies land for growth and then asks how water, sewer, roads, electricity, transport and other infrastructure will be provided.

Housing and infrastructure planning should occur together.

The Productivity Commission correctly identifies infrastructure planning as a major constraint upon greenfield housing and recommends better coordination and sequencing.

For each identified growth precinct government should establish:

- anticipated dwelling yield;
- infrastructure required;
- responsible delivery agency;
- estimated cost;
- funding source;
- commencement date; and
- required completion date.

Infrastructure agencies should have an explicit statutory housing-supply obligation.

Their function cannot simply be to identify constraints.

They must participate in resolving them.

Where major infrastructure must be delivered ahead of housing, government should be prepared to finance or underwrite that infrastructure and recover an appropriate proportion progressively as development occurs. Government cost of capital will be less than new dwelling owners and the cost of infrastructure can be shouldered by the local residents via existing infrastructure charge processes.

The first landowner prepared to develop should not be required to finance infrastructure which ultimately services an entire district.

16. Infrastructure providers must be part of the housing system

Water authorities, electricity distributors, roads authorities and other infrastructure bodies are frequently treated as separate from housing policy.

They are not.

An authority which cannot provide sewer capacity can prevent housing as effectively as a zoning prohibition.

An electricity connection delayed for several years has the same practical consequence as an unapproved development application.

Government housing targets are therefore meaningless unless infrastructure agencies are accountable to them.

Every major infrastructure provider should publish:

- forecast housing demand within its service area;
- available capacity;
- identified constraints;
- planned augmentation;
- delivery dates; and
- the number of dwellings delayed by infrastructure limitations.

Housing supply must become part of the performance framework of infrastructure agencies.

17. Developer contributions should pay for development-generated infrastructure, not general government

There should be a clear nexus between development and the infrastructure for which that development is charged.

Development contributions should not become an alternative taxation system.

Existing deficiencies should principally remain the responsibility of the existing community and government.

New development should contribute fairly towards additional demand it creates.

Where infrastructure serves existing residents, future residents and a broader regional population, the costs should be apportioned accordingly.

The Productivity Commission is correct to recommend removal of contributions where no demonstrable nexus exists and to favour predictable, cost-reflective and consistently administered contribution frameworks.

Contributions should also be payable as late as practicable in the development cycle.

Requiring substantial payments before lots or dwellings generate revenue increases finance costs and therefore ultimately increases housing costs.

18. Replace sequential approvals with concurrent approvals

One of the least productive characteristics of the present system is sequential decision-making.

A housing project may require consideration by:

- council;
- a water authority;
- electricity providers;
- roads authorities;
- environmental agencies;
- bushfire authorities;
- mine subsidence authorities;
- heritage bodies; and
- other referral agencies.

The applicant effectively becomes project manager for government.

That is backwards.

For identified housing projects, government agencies should be brought into one coordinated process.

An agency should have a defined period in which to identify a genuine statutory impediment.

Silence should not indefinitely prevent housing.

There should be:

- one government case manager;
- one digital portal;
- one consolidated schedule of requirements;
- concurrent referral;
- one timetable; and
- an escalation mechanism capable of resolving disagreement between agencies.

Disagreement between government bodies should be resolved by government.

It should not become an open-ended problem transferred to the housing applicant.

19. Expand complying development

My practical experience with duplex development demonstrates the value of objective, rules-based approval.

Where a proposal complies with predetermined standards, there is little public benefit in forcing it through a discretionary development-assessment process.

Australia should progressively move routine residential development from discretionary approval towards certification against objective standards.

Deemed approval, not discretion based determination.

The hierarchy should be:

Comply with objective standards — build.

Minor departure — streamlined assessment.

Material external impact — development assessment.

Major strategic project — coordinated state assessment.

The level of regulatory scrutiny should correspond with actual risk.

Planning resources should be concentrated upon genuinely difficult decisions rather than repeatedly reassessing ordinary housing.

20. Use strategic planning to remove issues from individual development applications

Flooding, bushfire, biodiversity, transport and infrastructure are legitimate planning considerations.

But many of these matters can be investigated strategically rather than rediscovered site by site.

The Productivity Commission expressly proposes that technical studies be undertaken across high-demand areas so that requirements can be codified before individual applications are made.

That is sensible.

Government should undertake regional or precinct-wide investigation wherever the issue is capable of being understood at that scale.

If government already knows:

- the flood behaviour;
- the bushfire hazard;
- the biodiversity corridor;
- the road capacity;
- the sewer constraint; and
- the likely infrastructure solution,

the individual developer should not be required to rediscover the same answer repeatedly.

Strategic planning should make development assessment simpler.

If strategic planning merely creates another layer of policy without removing work from the development application, it has failed.

21. Measure approval performance

Every determining authority should publish:

- median assessment time;
- 75th and 90th percentile assessment time;
- time awaiting applicant information;
- time awaiting council;
- time awaiting referral agencies;
- number of additional-information requests;
- approval rate;
- number of dwellings approved;
- number of approved dwellings commenced; and
- number of dwellings completed.

What is measured gets managed.

Councils and agencies which consistently facilitate housing should be rewarded.

Authorities which consistently fail to meet statutory housing objectives should progressively lose discretion over routine housing approvals.

The Commonwealth should make housing and infrastructure funding conditional upon transparent performance reporting.

22. Newcastle and the Hunter should be treated as a housing growth region

Housing policy should not be confined to accommodating population only where it already exists.

Government can influence where future growth occurs.

Newcastle and the Hunter possess:

- major employment;
- universities;
- hospitals;
- an international-scale port;
- established cities and towns;
- transport corridors;
- major road infrastructure;
- extensive electricity infrastructure;
- water infrastructure;
- proximity to Sydney; and
- substantial land resources.

The Hunter should therefore be treated not as a peripheral regional market but as one of Australia's significant opportunities for accommodating population growth.

It should be used as a demonstration region for accelerated housing supply.

That supply should include:

- new greenfield communities;
- suburban infill;
- missing-middle housing;
- apartments around centres and transport;
- manufactured housing;
- seniors housing;
- affordable housing;
- social housing; and
- adaptive reuse.

There is no single housing product which will solve the shortage.

The objective should be abundance and choice.

23. Seniors housing is also general housing policy

One overlooked way of increasing effective housing supply is helping older Australians move into housing better suited to their requirements.

A new seniors dwelling can release an existing three- or four-bedroom dwelling into the general housing market.

Planning reform should therefore enable appropriately designed seniors housing on suitable land adjoining existing urban areas, subject to infrastructure, environmental and access considerations.

This produces housing through a chain of moves.

The new seniors dwelling is one dwelling.

But the larger dwelling released by its occupant becomes another housing opportunity.

Housing policy should measure these broader effects.

24. Manufactured housing should form part of mainstream housing policy

Manufactured housing estates and modern methods of residential delivery can produce housing more quickly and potentially at a lower cost than conventional construction.

Planning systems should regulate their actual impacts rather than their historical label.

Where a manufactured housing community demonstrates appropriate:

- fire safety;
- access;
- servicing;
- amenity;
- structural performance; and
- environmental management,

government should permit innovation in layout, density and built form.

Housing regulation should be technologically neutral.

The question should be whether the proposed housing performs adequately, not whether it resembles the housing form contemplated when the regulation was written.

25. Social and affordable housing require inexpensive land as well as subsidy

Government cannot subsidise its way out of a land-supply problem.

Every dollar unnecessarily added to the cost of land, approval and infrastructure is another dollar that government, a community-housing provider or a household must find before a dwelling can be delivered.

Affordable and social housing policy should therefore begin with an abundant supply of developable land.

Government-owned land should be actively audited for housing potential.

Government development agencies should again be prepared to perform a fundamental role, being to turn land into serviced places where people can live.

Alternative tenure, ownership, financing and delivery models should be encouraged where they can safely expand housing supply.

26. Housing supply should become an explicit statutory objective

The most important reform may ultimately be cultural rather than technical.

Every planning authority regulates development.

Too few institutions are directly accountable for ensuring that enough development actually occurs.

Housing supply should become an express statutory objective against which:

- planning instruments;
- rezoning decisions;
- development controls;
- infrastructure decisions;
- environmental controls; and
- administrative performance

are assessed.

Before introducing a new residential regulation, government should be required to prepare a Housing Supply Impact Statement.

That statement should address:

- cost per dwelling;
- approval delay;
- reduction in theoretical dwelling capacity;
- reduction in commercially feasible capacity;
- number of potential dwellings affected;
- public benefit obtained;
- alternative means of achieving that benefit; and
- the cumulative interaction with existing regulation.

The burden should be upon government to demonstrate that a new restriction produces a public benefit greater than its effect upon housing affordability and supply.

27. Regulatory accumulation must be measured

One of the great lessons of *A Mansion or No House* is that regulations cannot sensibly be considered only one at a time.

A council may say that its landscaping requirement adds little cost.

An infrastructure authority may say the same about an augmentation requirement.

A road authority may impose another requirement.

A biodiversity assessment may require another study.

A contribution may be considered modest in isolation.

Each individual decision-maker sees one requirement.

The household buying the finished dwelling pays for all of them.

The development feasibility bears all of them.

The planning system therefore needs a cumulative regulatory-cost test.

Government should ask not merely whether one additional regulation can be justified.

It should ask whether the whole regulatory package still permits the dwelling to be economically produced.

28. Fifty years later

The extraordinary feature of reading *A Mansion or No House* in 2026 is not how dated the report is.

It is how familiar its central questions remain.

The technology has changed.

The legislation has changed.

The terminology has changed.

The number of regulatory agencies has changed.

But the fundamental problem remains recognisable.

How much should government prescribe?

What should consumers be permitted to choose?

What happens when individually defensible standards accumulate?

Who pays for the additional cost?

And what happens to the household at the margin when the regulated product becomes too expensive?

We have had fifty further years of:

- planning instruments;
- development controls;
- environmental regulation;
- infrastructure requirements;
- technical reports;
- design standards;
- contribution systems; and
- approval processes.

We have not produced an abundance of affordable housing.

The Productivity Commission now reports that Australia is forecast to undershoot the National Housing Accord target by 220,000 or more homes by June 2029.

That should cause us to reconsider the underlying philosophy.

The objective should not be deregulation for its own sake.

Nor should Australia abandon legitimate environmental, safety or community protections.

The objective should be proportional regulation.

Protect what genuinely needs protecting.

Regulate what genuinely needs regulating.

Provide the infrastructure necessary for growth.

Then allow Australians to build homes.

29. Recommended national reform program

I recommend that the Productivity Commission propose a national housing regulatory reform agreement under which Commonwealth housing and infrastructure funding is linked to measurable state and local government reform.

The program should require:

1. a statutory presumption in favour of housing;
2. a presumptive three-storey residential entitlement across most urban residential land;
3. substantial reduction of unnecessary minimum lot-size controls;
4. greater permissibility for duplexes, terraces, secondary dwellings, manufactured homes and alternative housing types;
5. higher density around centres, hospitals, universities and public transport;
6. retention of strategic urban-growth reserves capable of supplying future greenfield land;
7. planning capacity materially in excess of forecast housing demand;
8. measurement of housing-ready land rather than simply zoned land;
9. integrated housing and infrastructure programs;
10. infrastructure agencies to adopt explicit housing-supply obligations;
11. Commonwealth and state financing or underwriting of enabling infrastructure where appropriate;
12. developer contributions based upon demonstrable nexus and fair apportionment;
13. later payment of development contributions wherever practicable;

14. concurrent rather than sequential government approvals;
15. one coordinated approval pathway for significant housing projects;
16. greatly expanded complying and code-assessable development;
17. strategic investigation of flood, bushfire, biodiversity and infrastructure constraints before individual development applications;
18. mandatory publication of approval performance;
19. intervention where approval authorities persistently obstruct housing delivery;
20. Housing Supply Impact Statements for new residential regulation;
21. cumulative regulatory-cost assessment;
22. active development of surplus government land;
23. expanded pathways for seniors, manufactured, affordable and social housing;
24. transparent regional targets identifying where future populations will actually live; and
25. Commonwealth incentives tied to completed housing rather than merely planning activity.

30. The fundamental proposition

Australia is a large country.

New South Wales is a large state.

The Hunter contains substantial land which, subject to proper investigation and infrastructure, is physically capable of accommodating substantially more people.

The scarce commodity is not land in the physical sense.

The scarce commodity is land to which our planning and infrastructure systems permit housing to be added.

Much of that scarcity is therefore man-made.

What has been created through policy can be changed through policy.

The next generation of housing reform should simultaneously:

increase density within existing urban areas;

restore a substantial pipeline of future urban land;

provide infrastructure ahead of predictable demand;

permit a broad variety of dwelling types;

reduce unnecessary prescription;

and introduce genuine competition into the supply of developable land.

These policies are complementary.

We need infill and greenfield development.

We need 300-square-metre lots and 1,000-square-metre lots.

We need duplexes and terraces.

We need townhouses and apartments.

We need manufactured homes and seniors housing.

We need low, medium and high density.

Most importantly, we need enough potential sites competing to provide all of them.

A housing system which permits only a tightly constrained quantity of land to respond to a growing population will inevitably convert population growth into land-price growth.

The purpose of land-use planning should be to manage growth well.

It should not be to prevent the supply response that growth requires.

Conclusion

Housing affordability ultimately requires housing abundance.

Australia cannot guarantee that every person can purchase a mansion.

It can create a regulatory system in which every generation has a realistic opportunity to obtain a home.

Fifty years after *A Mansion or No House*, that distinction is more important than ever.

The test of the next generation of planning reform should therefore be remarkably simple:

Does this system enable more safe, serviced and appropriate homes to be built, in the places where Australians want and need to live?

If the answer is no, we should change the system.

PALMER BRUYN

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