

Dear Productivity Commission,

Submission on the Housing Supply Regulation interim report

I wish to object to aspects of the proposed **Housing Supply Regulation reforms**, particularly proposals that would facilitate three-storey apartments across large areas currently characterised by low-density residential development, reduce or remove heritage protections, and remove other planning and design controls intended to protect residential amenity.

I am concerned that the interim report places too much emphasis on increasing housing supply and reducing regulatory barriers and community input without adequately considering the broader planning consequences of these changes. Increasing the number of dwellings is not, by itself, sufficient to create well-planned, affordable, liveable and sustainable communities.

Heritage and neighbourhood character

The proposed changes risk causing irreversible damage to Australia's built heritage and established neighbourhoods.

Heritage conservation areas and other planning controls exist for reasons that extend beyond individual properties. They can protect collections of buildings, streetscapes, landscape features and neighbourhood patterns that contribute to the history, identity and character of our cities.

Removing these protections across large areas could result in the incremental loss of heritage and neighbourhood character that, once destroyed, cannot be recovered.

Any reform should therefore distinguish between unnecessary regulatory barriers and regulations that serve legitimate public purposes, including heritage conservation, streetscape protection and neighbourhood amenity.

Housing quality and amenity

I am also concerned that removing planning controls in the pursuit of additional housing supply could result in poor-quality development.

Good housing policy should consider not only **how many dwellings are produced**, but also whether those dwellings provide adequate light, ventilation, privacy, open space, outlook, environmental performance and access to appropriate infrastructure and services.

Planning controls relating to apartment amenity should not simply be treated as obstacles to development. Appropriate standards can help ensure that increased density produces housing that is genuinely suitable for people to live in over the long term.

Infrastructure and the location of growth

There is also a significant question about **where** additional housing should be located.

Growth needs to be coordinated with transport, schools, health services, open space, utilities, roads and other infrastructure. Increasing density in locations that are already dense or poorly served by infrastructure may create additional costs for governments and communities while reducing liveability for existing and future residents.

Housing supply should therefore be considered in conjunction with infrastructure capacity, employment locations, transport accessibility, environmental constraints and the existing character and needs of communities.

The role of economics and planning

I am particularly concerned about the apparent elevation of economic analysis over the expertise of professional urban and strategic planners.

Economists have an important role in assessing housing markets, incentives, costs, supply constraints and the economic consequences of regulation. However, **planning cities and neighbourhoods involves a much broader set of disciplines and considerations.**

Urban planners, architects, heritage professionals, engineers, environmental specialists, transport planners and other relevant

professionals have expertise in how development affects the physical environment and the health and wellbeing of people who live in it.

The question should therefore not be whether economists or planners should have the greater role. Rather, housing policy should draw on **genuinely multidisciplinary expertise**, with economic analysis informing decisions alongside planning, design, heritage, infrastructure, environmental and community considerations.

Economic efficiency should not become a substitute for good planning.

A more balanced approach

I support efforts to address unnecessary barriers to housing construction and to improve housing affordability. However, regulatory reform should be targeted at regulations that demonstrably impose unnecessary costs or prevent appropriate development—not at legitimate safeguards that protect heritage, amenity, environmental quality and the long-term functioning of communities.

Before implementing sweeping changes, the Productivity Commission should undertake much more detailed analysis of:

- the likely effect of the proposed changes on housing prices and rents;
- where additional development is likely to occur;
- the infrastructure required to support that development;
- impacts on heritage conservation areas and neighbourhood character;
- the quality and amenity of resulting housing;
- the provision of genuine affordable and social housing;
- environmental and transport consequences;
- the distribution of costs and benefits between developers, existing residents, governments and future residents; and

- whether alternative, more targeted reforms could increase housing supply without unnecessarily removing important planning protections.

Housing policy should be about more than maximising the number of dwellings that can be built. **The objective should be to facilitate housing supply while creating places that are affordable, well-designed, appropriately located, sustainable and genuinely liveable.**

I therefore urge the Productivity Commission to reconsider the breadth of the proposed deregulation and to give substantially greater weight to planning, heritage, infrastructure, design and community amenity in any recommendations arising from the interim report.

Yours sincerely,

Sarah Smith

[Redacted]