

THE CITY OF
GREATER GEELONG

SUBMISSION TO HOUSING SUPPLY REGULATION

SEPTEMBER 2026

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The City of Greater Geelong acknowledges the Wadawurrung People as the Traditional Owners of the land, waterways and skies to which this submission relates. We pay our respects to their Elders past and present and acknowledge their ongoing connection to Country.

Executive summary

The City of Greater Geelong welcomes the Productivity Commission's inquiry into housing supply regulation and broadly agrees with the Interim Report's findings that housing supply is affected by land-use regulation and the coordination of enabling infrastructure.

This submission supports the general reform direction while emphasising that rezoning and faster approvals alone will not deliver housing unless land is serviced, infrastructure is coordinated and funded, development is feasible, and growth provides affordable housing and complete communities.

Drawing on Greater Geelong's experience as Victoria's largest regional city and a major housing growth location, this submission addresses development-ready land, infrastructure coordination and funding, regional growth-city circumstances—including market feasibility and demand for different housing forms—strategic rezoning, affordable and social housing, competing land uses, and the integration of housing with transport, services and community infrastructure. Its two case studies illustrate how infrastructure sequencing, competing land uses and individually negotiated affordable housing contributions can constrain delivery.

The City recommends that the Productivity Commission's final report:

1. Adopt performance measures that distinguish between land identified for housing, zoned land, serviced land, development-ready land and completed dwellings.
2. Require housing targets and rezoning decisions to be supported by infrastructure and utility delivery plans, agency coordination arrangements, transparent timeframes and accountability mechanisms.
3. Recognise regional growth cities as housing delivery partners and provide tailored infrastructure funding and policy settings that reflect their transport, servicing, market, workforce and funding circumstances.
4. Link strategic rezoning to infrastructure capacity, transport, social infrastructure, open space, community facilities, adopted local housing strategies and development feasibility, with local

government retaining a significant role in identifying suitable growth locations.

5. Integrate affordable and social housing into housing supply reform by supporting provision in growth and renewal areas, increasing social housing delivery, considering suitable government and council land, establishing more consistent contribution mechanisms and providing greater certainty about affordable housing contributions.
6. Improve and clarify infrastructure funding roles, responsibilities and coordination, where enabling infrastructure must precede development without transferring additional costs or responsibilities to local government without corresponding funding.
7. Integrate housing delivery with transport, employment, education, health, open space, recreation, community services and accessible public infrastructure so that growth supports complete, connected and liveable communities.
8. Ensure consistency around energy efficiency and other design features to improve sustainability, with clear and complementary roles for planning and building regulation. Household liveability, comfort and running costs should be considered so that savings at the construction phase do not lead to higher long-term costs for residents.

Together, these recommendations build on the Interim Report's findings by directing reform towards the practical constraints that determine whether housing is delivered, affordable and supported by the infrastructure and services communities need.

INTRODUCTION

The City of Greater Geelong (the City) welcomes the Productivity Commission's inquiry into housing supply regulation and the opportunity to respond to its Interim Report. This submission provides the City's feedback on the Interim Report's findings and proposed reform direction, informed by its experience as Victoria's largest regional city and a major housing growth location.

Overall, the City's reform recommendations broadly align with the Interim Report's findings and proposed direction. The City does not oppose its core reform agenda; rather, it seeks to refine and expand the approach so that housing supply reform addresses development readiness, infrastructure delivery, regional circumstances, affordable and social housing, and complete-community outcomes.

Greater Geelong is Victoria's largest regional city and has been assigned Victoria's highest municipal housing target under Plan for Victoria. The City supports reform that increases housing supply, improves housing affordability and enables more diverse housing choices. However, the City's experience demonstrates that housing supply is influenced by a broader set of factors than planning approval processes alone.

The City supports regulatory reform where it delivers genuine improvements to housing supply outcomes. However, reform should be measured by the delivery of development-ready land and completed homes, rather than land identified for future housing or the speed of individual planning approvals.

From a local government perspective, housing supply depends on the successful coordination of land-use planning, transport, utilities, social infrastructure, development financing and housing affordability measures. Housing targets cannot be achieved where these systems fail to operate together.

Accordingly, the City submits that the most effective housing supply reforms are those that increase the availability of development-ready land and support the delivery of complete, connected and liveable communities.

The eight sections that follow reflect the main practical conditions that determine whether regulatory reform translates into delivered housing. They progress from how supply should be measured, through the infrastructure, regional, rezoning, affordability and funding settings needed to unlock delivery, to complete communities and sustainable housing design. Each section explains the

issue, provides relevant City evidence and identifies the corresponding reform sought.

1. DEVELOPMENT-READY LAND SHOULD BE THE PRIMARY HOUSING SUPPLY MEASURE

The Interim Report appropriately highlights the importance of planning and land-use systems. However, the City's experience suggests that the key housing supply challenge is not simply whether land has been identified or zoned for development.

The more relevant question is whether land can progress through the entire housing delivery system and become development ready.

Development-ready land requires:

- planning approval pathways;
- transport access;
- water, sewer and drainage servicing;
- utility capacity;
- community infrastructure planning;
- available development financing; and
- timely agency approvals.

A focus on theoretical development capacity risks overstating actual housing supply potential. Land may be identified for future housing, yet remain unavailable for development due to infrastructure, servicing or funding constraints.

Plan for Victoria sets a target of 128,600 additional homes for the City of Greater Geelong by 2051, an average of approximately 5,144 homes per year. This target materially exceeds its recent average delivery of 3,500 dwellings, while infrastructure, servicing, workforce capacity, financing and market feasibility affect whether identified capacity becomes completed housing.

The Productivity Commission should consider adopting performance measures that distinguish between:

- land identified for housing;
- zoned land;
- serviced land;
- development-ready land; and
- completed dwellings.

This would provide a more accurate picture of housing delivery constraints and allow governments to target interventions where they will have the greatest impact.

Accurate measurement identifies where supply is stalled; the next issue is whether infrastructure agencies and delivery programs are coordinated to remove those constraints.

2. INFRASTRUCTURE COORDINATION IS FUNDAMENTALLY A HOUSING SUPPLY ISSUE

The City supports the Interim Report's focus on housing-enabling infrastructure.

Across Greater Geelong, housing delivery is frequently dependent on the coordination of:

- transport infrastructure;
- water and sewer servicing;
- stormwater and drainage infrastructure;
- energy networks;
- community infrastructure; and
- state agency approvals.

Housing reform should therefore be considered as a system-wide challenge rather than solely a planning challenge.

Achieving substantially higher housing delivery will require governments, planning authorities, infrastructure providers and utilities to align approvals, responsibilities and delivery schedules rather than allowing each part of the system to proceed independently.

Housing targets and rezoning decisions should be accompanied by:

- infrastructure delivery plans;
- utility servicing plans;
- agency coordination arrangements;
- transparent delivery timeframes; and
- accountability mechanisms for key infrastructure providers.

Housing supply is constrained when the sequencing of infrastructure delivery does not align with planned growth.

Case Study: Northern and Western Geelong Growth Areas

Greater Geelong's Northern and Western Growth Areas illustrate the importance of infrastructure coordination.

These growth areas are expected to accommodate substantial population growth and make a significant contribution to Victoria's housing supply objectives. Land has been identified and planning work has progressed; however, housing delivery is dependent on the timely provision of transport infrastructure, utility services, drainage systems, community facilities and other enabling infrastructure.

The challenge is not whether the land has capacity for housing. The challenge is ensuring that housing can be delivered at the scale and pace expected while maintaining access to employment, services and community facilities.

This experience demonstrates that housing delivery is often constrained by the timing and coordination of infrastructure investment and its feasibility rather than by land-use planning controls alone.

The Northern Growth Area also demonstrates how competing land uses can reduce or fragment planned housing supply. A major non-residential proposal affecting strategically identified housing land had the potential to affect capacity for approximately 2,400 dwellings and 6,700 residents, while requiring additional planning work costing more than \$200,000 and extending the planning process by an estimated three to four months.

This illustrates the importance of assessing housing supply impacts before strategically important land is committed to another use. It also reinforces the need to protect development-ready supply, coordinate infrastructure decisions and ensure that rezoning and land-use changes are assessed against adopted housing objectives.

This case study demonstrates that development-ready housing supply depends on infrastructure providers, planning authorities and governments aligning their decisions and delivery schedules. Housing targets and rezoning should therefore be accompanied by coordinated infrastructure and utility plans, clear agency responsibilities, transparent milestones and accountability for delivery.

3. REGIONAL GROWTH CITIES REQUIRE TAILORED HOUSING SUPPLY RESPONSES

Regional cities will play a critical role in meeting Australia's future housing needs.

Greater Geelong has experienced significant population growth and is expected to continue accommodating substantial housing demand. As one of Australia's fastest-growing regional cities, Geelong demonstrates both the opportunities and challenges associated with delivering large-scale housing growth outside metropolitan areas.

Housing supply reforms should recognise that regional growth cities often face different circumstances to metropolitan areas, including:

- different public transport networks;
- different utility servicing arrangements;
- different housing market conditions;
- different workforce availability; and
- different infrastructure funding capacities.

A one-size-fits-all approach to housing supply reform risks overlooking these regional considerations.

Greater Geelong's experience supports a tailored approach: the region is expected to accommodate housing growth above historic delivery rates while also addressing regional transport, servicing, workforce and infrastructure funding constraints.

The City encourages the Productivity Commission to recognise regional growth cities as important housing delivery partners and to recommend tailored infrastructure funding and policy settings. This is warranted where regional cities, such as Geelong, are expected to lift delivery well above recent rates while working within regional transport networks, utility servicing arrangements, housing-market conditions, workforce availability and local-government funding capacity that differ from metropolitan settings.

Regional housing markets may have lower or slower demand for apartments and other higher-density housing than metropolitan markets. Construction costs, financing conditions and market absorption therefore affect whether increased planning capacity in regional cities translates into completed dwellings. These factors should be considered when setting housing targets and designing regional housing supply reforms.

Within that regional context, the location and sequencing of rezoning must also be considered, because additional planning capacity will only support delivery where infrastructure, services and development feasibility align.

4. STRATEGIC REZONING SHOULD BE DIRECTED TO SUITABLE LOCATIONS

Strategic rezoning should be directed to locations where there is demonstrated housing demand, realistic development feasibility, sufficient infrastructure capacity and good access to public transport, employment and essential services.

Well-planned increases in housing density can improve housing choice and make more efficient use of existing infrastructure.

However, rezoning alone does not guarantee housing delivery.

Suitable locations should be identified by considering:

- transport capacity;
- social infrastructure;
- open space;
- community facilities;
- servicing requirements;
- local housing strategies; and
- development feasibility.

The City's Settlement Strategy 2020 supports greater housing diversity and urban consolidation in strategically located areas close to public transport, employment and services. The City's Plan for Victoria submission also identified demand, development feasibility, market conditions and infrastructure capacity as factors that determine whether planning capacity becomes completed housing. Strategic rezoning should therefore be directed to locations where these conditions can be addressed together.

Local housing strategies and local-government knowledge should inform the identification and sequencing of these locations so that rezoning is directed to land with a realistic pathway to delivery.

Local government should continue to play a significant role in identifying suitable locations for housing growth and assessing local delivery constraints.

Once suitable locations have been identified, housing reform must also consider the range and affordability of housing delivered.

5. AFFORDABLE AND SOCIAL HOUSING SHOULD FORM PART OF HOUSING SUPPLY REFORM

Housing supply should not be measured solely by dwelling numbers.

The supply of affordable and social housing is an important component of a functioning housing system and should be considered as part of housing supply reform.

Increasing overall housing supply is important but will not necessarily deliver housing outcomes for low-income households.

The City's Social Housing Plan seeks to increase social housing from approximately 3 per cent of households to 7 per cent by 2031 and 10 per cent by 2041. It supports negotiating social housing outcomes where rezoning or planning approvals add land value and considering suitable surplus council land for social housing. The City's existing Section 173 Agreement process requires local-need assessment, negotiation with landowners, internal approval and agreement before a planning amendment is adopted. This site-by-site process can create uncertainty and delay, supporting clearer and more consistent contribution arrangements.

The Productivity Commission should consider reforms that:

- support affordable and social housing provision in growth and renewal areas;
- facilitate increased delivery of social housing;
- establish clearer and more consistent approaches to affordable housing contributions;
- support consideration of suitable government and council land for housing outcomes; and
- provide greater certainty for councils, developers and housing providers.

Housing supply and housing affordability should be considered together where possible.

Case Study: Negotiating Social and Affordable Housing Contributions

The City currently seeks social and affordable housing contributions when land is rezoned, using agreements that may provide land, dwellings, a monetary contribution to a

registered housing agency, or a combination of these outcomes.

This approach can produce local benefits, but each contribution must be negotiated individually because there is no consistent mandatory mechanism. The process requires assessment of local need, negotiation with landowners, internal approval and agreement before the planning amendment is adopted.

This experience shows that voluntary, site-by-site arrangements can create uncertainty for councils, developers and housing providers. A consistent framework would provide clearer expectations, reduce negotiation complexity and improve the integration of affordable and social housing into growth and renewal areas.

This case study reinforces the need for clearer and more consistent affordable housing mechanisms. These mechanisms must also be supported by workable infrastructure funding arrangements, particularly where enabling works are required before development can proceed.

6. INFRASTRUCTURE FUNDING ARRANGEMENTS INFLUENCE HOUSING DELIVERY

The City supports examination of the funding mechanisms and cost-allocation arrangements that underpin housing-enabling infrastructure.

Growth areas often require substantial upfront investment before development revenue or development contributions are available. Where funding is delayed or insufficient, enabling works cannot proceed and zoned land may remain unavailable for housing.

Effective funding arrangements should:

- identify which level of government, infrastructure provider or developer is responsible for each cost and asset delivery;
- specify when funding will be available;
- explain how funding shortfalls will be addressed;
- align development contributions with the timing and cost of delivery; and
- recognise councils' ongoing costs of operating, maintaining and renewing transferred infrastructure.

The City's annual reporting shows that strong population and housing growth is increasing demand for new

infrastructure and services while also adding to the ongoing cost of maintaining transferred assets, placing pressure on local government's long-term financial sustainability.

The Productivity Commission should consider reforms that improve the timing and certainty of government infrastructure investment, strengthen the alignment of development contributions with delivery costs, and establish clear responsibility for funding shortfalls.

Reforms should avoid transferring additional infrastructure costs or responsibilities to local government without corresponding funding.

With sustainable funding and cost allocation established, the broader question is whether housing growth delivers the community outcomes residents need.

7. COMPLETE COMMUNITIES SHOULD BE THE OBJECTIVE OF HOUSING SUPPLY REFORM

The objective of housing supply reform should not be limited to increasing dwelling approvals or theoretical capacity. It should support communities in which residents can access:

- employment opportunities;
- public transport;
- schools and early childhood education;
- community facilities;
- open space;
- recreation opportunities;
- health services; and
- accessible public infrastructure.

Integrating these outcomes with housing delivery improves liveability, reduces car dependence and helps ensure that population growth does not create avoidable social, accessibility or service gaps.

These outcomes should therefore be considered when governments assess the success of housing reform.

Without coordinated delivery of these outcomes, new housing can increase car dependence, limit access to services and create avoidable pressure on households and communities. Complete-community outcomes are therefore a practical measure of whether housing growth is sustainable.

The City encourages the Productivity Commission to consider how infrastructure planning, transport investment, housing delivery and community services can be better integrated to support sustainable growth outcomes.

8. SUSTAINABLE HOUSING DESIGN SHOULD SUPPORT LONG-TERM AFFORDABILITY AND LIVEABILITY

The City supports housing that is environmentally sustainable, comfortable to occupy and affordable to operate. Considering energy efficiency, passive design, water efficiency and indoor environmental quality early can improve liveability, reduce ongoing costs and avoid more expensive retrofitting.

Housing supply reform should therefore consider whole-of-life affordability, not only upfront construction cost. Lower initial requirements can shift costs to households through higher energy and water bills, reduced thermal comfort and future upgrades. Consistent minimum requirements can also provide clearer expectations and reduce uncertainty across jurisdictions.

Planning and building regulation should have clear, complementary roles. Building regulation is generally best placed to set consistent minimum construction and energy-performance standards, while planning can address site-responsive matters such as orientation, layout, shading, landscaping, water management and urban form. Reform should avoid duplication while ensuring important sustainability outcomes are addressed before they become difficult or costly to achieve.

Taken together, these eight themes form a connected reform framework. The following recommendations consolidate the specific actions arising from that framework.

RECOMMENDATIONS

The recommendations below consolidate the reforms developed across the eight preceding themes. Their order mirrors the analysis in this submission, moving from measurement and delivery coordination to regional settings, strategic rezoning, affordability, funding, complete-community outcomes and sustainable housing design.

The City recommends that the Productivity Commission's final report:

1. Adopt performance measures that distinguish between land identified for housing, zoned land, serviced land, development-ready land and completed dwellings.
2. Require housing targets and rezoning decisions to be supported by infrastructure and utility delivery plans, agency coordination arrangements, transparent timeframes and accountability mechanisms.
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5. Integrate affordable and social housing into housing supply reform by supporting provision in growth and renewal areas, increasing social housing delivery, considering suitable government and council land, establishing more consistent contribution mechanisms and providing greater certainty about affordable housing contributions.
6. Improve infrastructure funding and coordination where enabling infrastructure must precede development, without transferring additional costs or responsibilities to local government without corresponding funding.
7. Integrate housing delivery with transport, employment, education, health, open space, recreation, community services and accessible public infrastructure so that growth supports complete, connected and liveable communities.
8. Ensure consistency around energy efficiency and other design features to improve sustainability, with clear and complementary roles for planning and building regulation. Household liveability, comfort and running costs should be considered so that savings at the construction phase do not lead to higher long-term costs for residents.

CONCLUSION

The City supports reforms that increase housing supply and improve housing affordability. The recommendations in this submission are important because they recognise that durable housing outcomes depend on planning, infrastructure, transport, servicing, funding and community services operating as a coordinated system. Implemented together, they would provide a more accurate basis for measuring supply, direct investment to the constraints that prevent housing delivery, and help ensure that growth produces well-located homes within complete, connected and liveable communities.

The City welcomes the opportunity to continue engaging with the Productivity Commission as the Housing Supply Regulation inquiry progresses beyond this response to the Interim Report. The City would be pleased to provide further evidence, share local delivery experience and work with the Commission and other levels of government to inform practical reforms that improve housing supply and affordability outcomes.

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