



SUBMISSION TO THE PRODUCTIVITY COMMISSION

Housing Supply Regulation: Interim Report

Housing delivery as a feasibility problem

23 September 2026

Submitted by the Committee for Greater Hobart in response to the Productivity Commission's Interim Report on Housing Supply Regulation, released 27 July 2026.¹

Disclaimer: This submission has been prepared by the Committee for Greater Hobart based on desktop research, including research supported by artificial intelligence tools, and consultation with key stakeholders. It represents the work and views of the Committee and does not necessarily reflect the views of its individual members. The Committee is grateful for the support of Kailem Irwin in preparing this submission.

The Committee for Greater Hobart acknowledges and pays respect to the Tasmanian Aboriginal people as the traditional and original owners, and continuing custodians of this land on which we gather, work and play and acknowledge Elders past and present.

¹Productivity Commission, Housing Supply Regulation: Interim Report, released 27 July 2026, <https://www.pc.gov.au/inquiries-and-research/housing-supply/interim/>.

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1. About this submission

The Committee for Greater Hobart is an independent, member-funded body that convenes business, government and community leaders around the long-term liveability and prosperity of Greater Hobart. It is part of Australia's network of city-focused committees, and its work has increasingly centred on urban renewal and the diversification of housing stock as preconditions for the region's economic future. This submission draws on that work, including the Committee's earlier submission to the Australian Government's Cities and Suburbs Unit² and its response to the City of Hobart's draft Housing Action Plan.³

This submission acknowledges the Commission's interim finding that relaxing land-use controls and better coordinating enabling infrastructure are the reforms most likely to lift housing supply and affordability and broadly supports its four principles for reform: adopt a build mindset, regulate only where necessary, coordinate housing with infrastructure, and keep processes simple.⁴

A build mindset, on its own, risks being read as a mandate for volume alone. The Commission should consider a reframing to “a build great places mindset”: one that treats liveability, design quality and long-term amenity as conditions of a successful long term reform agenda rather than as costs to be traded away for speed.

A market the size of Greater Hobart cannot afford to build itself into low-quality, poorly located stock that a larger market might eventually absorb or renew; what gets built now will substantially be what Hobart lives with for the rest of the century.

This submission does not contest the Commission's diagnosis. However, Greater Hobart is a small, structurally distinct housing market, and the interim report's national framing, drawn substantially from the experience of Sydney, Melbourne, Brisbane and Perth, will produce different and in places weaker results here unless the final report explicitly considers markets like this one.

This submission's argument has three parts.

1. Greater Hobart's housing market differs from the larger mainland capitals in its typology, its demand profile, the structure of its construction sector and the depth of its financing environment, and each of these differences changes how national reforms will land locally.
2. Delivery is now constrained as much by feasibility and finance as by regulation.⁵
3. No single lever available to government is likely to close that feasibility gap on its own.

²Committee for Greater Hobart, submission to the Cities and Suburbs Unit, Australian Government Department of Infrastructure, Transport, Regional Development, Communications, Sport and the Arts, <https://www.infrastructure.gov.au/sites/default/files/documents/nupc-committee-for-greater-hobart.pdf>.

³Committee for Greater Hobart, submission on the City of Hobart's draft Housing Action Plan, 12 March 2026, <https://committeeforgreaterhobart.com.au/cfgh-submission-draft-housing-action-plan-2026/>.

⁴See note 1 above.

⁵Professor Peter Phibbs, quoted in ABC Radio Hobart, Hobart Breakfast, 'Why aren't the 900 apartment-style homes approved in Hobart getting built?', 8 April 2026, <https://www.abc.net.au/listen/programs/hobart-breakfast/house-prices-will-drive-apartments/106540666>.

Individual interventions available to state, local or federal government can improve project viability, but one intervention alone may not convert a genuinely marginal project from unviable to viable. The combined effect of interventions across different layers of the development cost stack can close a gap that no single measure can bridge.

2. Why Greater Hobart is not a smaller version of a mainland capital

National housing policy is, of necessity, built from national data, and national data sets are dominated by the scale of Sydney, Melbourne, Brisbane, Perth and south-east Queensland. Greater Hobart's population is a rounding error against those markets, a fact that should not extend to how its structural characteristics are treated. Four features of this market are, in combination, distinctive, and each has direct implications for the available levers for change.

2.1 Typology: a market built almost entirely around the separate house

At the 2021 Census, 85.1 per cent of occupied private dwellings in Greater Hobart were separate houses, with flats and apartments accounting for only 8.2 per cent and semi-detached, row, terrace or townhouse dwellings a further 6.1 per cent.⁶ Earlier, 2016 Census data show variation between councils: separate houses made up 93 per cent of dwellings in Clarence and Kingborough, against 69 per cent in the City of Hobart, where flats and apartments accounted for 20 per cent of stock.⁷ Even within the central municipality, separate houses accounted for more than two-thirds of the dwelling stock.

Greater Hobart is not simply a smaller version of a market that already knows how to build density well. There is comparatively little institutional memory in the construction and finance sector, and in local planning administration. Therefore, reforms that assume an existing pipeline of apartment and townhouse delivery that merely needs to be unblocked, the implicit model behind much of the interim report's land-use chapter, will do less work in a market that has to build that pipeline from a much lower base.

2.2 A demand profile shaped by ageing, mobility and a mismatched stock

Tasmania's population grew by only 0.2 per cent in 2023-24. Growth was driven mainly by net overseas migration of 4,100 people; net interstate migration was negative 3,400, and natural increase contributed only 300 people.

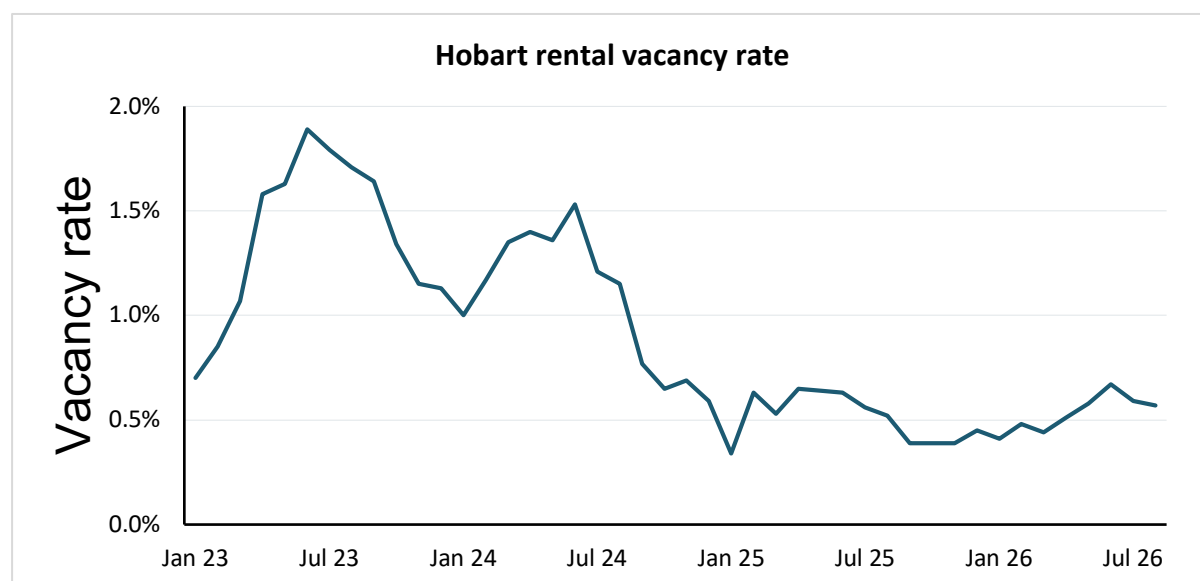
⁶Australian Bureau of Statistics, Census of Population and Housing 2021, QuickStats: Greater Hobart, <https://abs.gov.au/census/find-census-data/quickstats/2021/6GHOB>.

⁷Greater Hobart Committee, Background Paper 1: Greater Hobart Area Profile (as at March 2021), https://www.greaterhobart.tas.gov.au/__data/assets/pdf_file/0014/283010/Background_Paper_-_1._Greater_Hobart_Area_Profile_as_at_Mar_2021.pdf, drawing on 2016 Census data, p. 10. The Greater Hobart Committee is the statutory joint authority established under the Greater Hobart Act 2019, comprising the Hobart, Glenorchy, Clarence and Kingborough councils and the Tasmanian Government, and is a distinct body from the Committee for Greater Hobart.

The state's population is ageing, and natural decrease is projected from 2028-29.⁸ This ageing, slow-growth profile calls for a housing response that reflects the changing needs of existing residents as well as new arrivals.

Yet modest aggregate population growth coexists with acute rental market pressure. Hobart's vacancy rate stood at 0.6 per cent in August 2026, joint-second-lowest among the eight capital cities, behind Darwin,⁹ and asking rents rose 10.4 per cent over the year to 4 September 2026, the strongest annual growth among the capitals.¹⁰

Figure 1. Hobart's rental vacancy rate remains low



Monthly observations, January 2023 to August 2026. SQM Research Hobart region.¹¹

The explanation for that apparent paradox lies substantially in the mismatch between what has been built and how households now form. At the 2021 Census, single-person households made up 27.7 per cent of occupied dwellings in Greater Hobart, family households 68.1 per cent.¹² The 2021 Census recorded an average of three bedrooms per dwelling across the region. The earlier four-council area profile recorded 2.8 in Glenorchy and the City of Hobart and reported that 6 per cent of the area's land was zoned residential.¹³ A market with a large share of one and two-person households, an ageing population likely to want to downsize in place, and an international student cohort at the University of Tasmania, is being served by a stock still overwhelmingly composed of large, detached houses with limited housing choice. This presents a typology problem as much as a

⁸Australian Government, Centre for Population, 2025 Population Statement: Tasmania snapshot, <https://population.gov.au/sites/population.gov.au/files/2026-01/ss-2025-pop-statement-tas.pdf>.

⁹SQM Research, National Vacancy Rates, August 2026, released 15 September 2026, p. 2, <https://sqmresearch.com.au/uploads/15-09-26-National-Vacancy-Rates-August-2026-2040.pdf>.

¹⁰SQM Research, National Vacancy Rates, August 2026, op. cit., pp. 3-4, advertised rents for the week ending 4 September 2026.

¹¹ SQM Research, "Residential Vacancy Rates: Hobart," monthly series, January 2023–August 2026, accessed September 20, 2026, https://sqmresearch.com.au/graph_vacancy.php?region=tas-Hobart. The August observation is 0.57%, which rounds to 0.6%.

¹²Australian Bureau of Statistics, Census of Population and Housing 2021, QuickStats: Greater Hobart, op. cit.

¹³Greater Hobart Committee, Background Paper 1: Greater Hobart Area Profile, op. cit., pp. 11–13.

volume problem, and it will not be solved by land-use reform alone if the construction and finance settings continue to make well-designed medium-density housing uneconomic to build.

Hobart's experience sits within, and in some respects exceeds, a national affordability picture that is deteriorating quickly. The National Housing Supply and Affordability Council's third annual State of the Housing System report found in April 2026 that rent under a new lease requires 33 per cent of median household income nationally, an all-time high, that a median household needs 11.2 years to save a home deposit, and that servicing a new mortgage now requires 45.9 per cent of median household income.¹⁴

Reporting published on 24 August 2026 reinforces the point at the sharper end of the market: the community sector group *Everybody's Home* found the national average apartment rent of \$614 a week now consumes 56 per cent of take-home pay for someone earning \$70,000 a year, close to the median income, with Sydney the most acute capital at 69 per cent of weekly pay and even the most affordable capital, Adelaide, requiring just over half.¹⁵

The national figures show Hobart is not an outlier experiencing a problem unique to it, but a smaller and structurally distinct market experiencing the same national affordability failure with less capacity to absorb it, for the reasons of typology, construction market structure and financing depth set out below. AMPLIFY also reports strong support for reform. Its engagement programme reached some 18,000 Australians, and it reports support for bold reform reaching as high as 94 per cent when people are given information about the housing system.¹⁶

2.3 A thin, fragmented construction sector operating at a logistics disadvantage

The problem of construction productivity is a national one. The Commission's own research finds that the number of homes completed per hour worked has fallen to around half its 1995 level, that quality-adjusted labour productivity in housing construction fell 12 per cent over the period against a 49 per cent rise in economy-wide labour productivity, and that the average residential building firm employs fewer than two people.¹⁷ Separate analysis puts the twenty-year decline in house-building productivity at 25 per cent in value terms and 39 per cent in volume terms, with house-building costs up 121 per cent over that period, including a 43 per cent surge in the five pandemic years to 2024 alone.¹⁸

¹⁴National Housing Supply and Affordability Council, State of the Housing System 2026, 30 April 2026, <https://nhsac.gov.au/news/state-housing-system-2026>.

¹⁵Everybody's Home, Priced Out report 2026, reported in ABC News, 'Rents increase to more than half median take-home pay across capitals', 24 August 2026, <https://www.abc.net.au/news/2026-08-24/everybodys-home-rental-increases-half-average-income/107070036>.

¹⁶AMPLIFY, 'Housing report backs call from thousands of Australians for urgent reform', <https://www.amplifyaus.org/post/new-housing-report-backs-call-from-thousands-of-australians-for-urgent-reform>, 30 April 2026.

¹⁷Productivity Commission, Housing construction productivity: Can we fix it?, Commission research paper, 16 February 2025, <https://www.pc.gov.au/inquiries-and-research/housing-construction/>. It also records that the average residential building firm employs fewer than two people.

¹⁸Australian Industry Group, 'Research Note: The slow slide of housing productivity in Australia', 2025, <https://www.australianindustrygroup.com.au/resourcecentre/research-economics/economics-intelligence/2025/research->

Each of those national constraints is magnified in Tasmania for the simple reason that a fragmented, low-productivity industry has fewer options for achieving scale in a market that is itself small. Tasmania cannot support the number of high-volume production builders, specialist trade subcontractors or prefabrication facilities that a market the size of greater Melbourne or south-east Queensland can.

Greater Hobart's residential construction sector remains overwhelmingly a Class 1 (detached house) building sector. Expanding Class 2 apartment delivery requires the relevant skills and systems as well as planning capacity. Relatively few Tasmanian firms can deliver Class 2 construction, the National Construction Code's multi-unit residential class that triggers materially more complex requirements around fire safety engineering, essential services, vertical construction methods and staged delivery. Tasmania's planning reform progress report identifies construction workforce capacity as a constraint and describes work with industry to support more diverse housing.¹⁹

The sector needs a structured and repeat pipeline of medium-density projects, as distinct from a pipeline of designs and approvals. Without that delivery experience, costs and contingencies can be higher, programming more conservative and competition thinner among contractors willing to quote on Class 2 work. Financiers can also price unfamiliarity into the cost of capital.

Construction capacity is a material constraint on converting approved projects into completed homes. Closing the capability gap requires building a track record, and the pipeline of projects needed to let the sector mobilise and capitalise on that record.

The Committee's reading of the Tasmanian market is that this is properly understood as a supply chain and feasibility problem, not primarily a regulatory approvals problem, notwithstanding that approvals reform remains valuable.

3. The binding constraint is feasibility and finance

The Australian Government's National Planning Reform Blueprint records that in Tasmania the Southern Tasmania Regional Land Use Strategy's Urban Growth Boundary has been amended to add 615 hectares to land already identified for urban growth in Greater Hobart, assessed as potentially supporting up to 10,000 additional dwellings following rezoning, and that fifteen Housing Land Supply Orders have rezoned more than 70 hectares across the state's three regions, assessed as capable of supporting up to 1,000 new dwellings.²⁰ Median development approval times in Tasmania are reported to be below 40 statutory calendar days for notified proposals and around 20 days for complying developments, which the Australian Government's progress reporting characterises as very efficient by national standards.²¹

note-the-slow-slide-of-housing-productivity-in-australia/. The note also records that construction's rate of process innovation, at 24 per cent of firms, is the lowest of any Australian industry against a 31 per cent national average.

¹⁹Tasmanian Government, National Planning Reform Blueprint: Tasmania Progress Report, September 2025, pp. 6-7, <https://treasury.gov.au/sites/default/files/2026-06/p2026-772102-tas-progress-report-september-2025.pdf>.

²⁰Australian Government Treasury, National Planning Reform Blueprint: Tasmania Progress Report, September 2025, <https://treasury.gov.au/sites/default/files/2026-06/p2026-772102-tas-progress-report-september-2025.pdf>.

²¹Australian Government Treasury, National Planning Reform Blueprint: Tasmania Progress Report, op. cit.

That record of activity should not be read as evidence that Tasmania's planning system is functioning as intended: the system's strategic foundations tell a less reassuring story. Tasmania's Resource Management and Planning System was established through a suite of Acts passed in 1993 and 1994, including the Land Use Planning and Approvals Act 1993, the State Policies and Projects Act 1993 and the Environmental Management and Pollution Control Act 1994, integrating land use, environmental management and development assessment under a shared set of statutory objectives.²² The RMPS was a genuinely considered piece of leading planning reform and design for its time, but three decades of subsequent piecemeal amendment, more often responding to the pressure of the moment than to a coherent strategic view, have left it materially less effective than its original architecture intended.

The Southern Tasmania Regional Land Use Strategy, the instrument meant to set a 25-year framework within which rezoning and growth-boundary decisions like those described above should occur, was first declared in October 2011 and remained without a comprehensive replacement until September 2026.

After a lengthy review, a draft new strategy was released for public consultation in November 2025. The replacement strategy was declared and came into operation on 11 September 2026.²³ The Tasmanian Planning Policies, a foundational component of the RMPS intended to give councils and the Tasmanian Planning Commission a single, consistent set of state-level planning policies to apply, followed a similar path: the Commission's assessment report was dated June 2024 before the policies were finalised in November 2025 and came into effect from 1 July 2026.²⁴

The State Government continued to make land supply decisions while that strategic review remained unfinished. The 615-hectare Urban Growth Boundary amendment referred to above was declared by the then Minister for Housing, Planning and Consumer Affairs in May 2025, while the broader review of the regional strategy remained incomplete. Much of the additional land had been identified through council reviews and processes, but at least one significant parcel was added following direct engagement with a developer rather than through those processes, over the explicit objection of Clarence City Council, which described the addition as 'opportunistic and not strategically justified' and warned it would 'encourage unrestrained urban sprawl.'²⁵ Regardless of

²²Tasmanian Government, Environment Protection Authority Tasmania, 'The Resource Management and Planning System (RMPS)', <https://epa.tas.gov.au/about-the-epa/policy-legislation-cooperative-arrangements/about-policy-and-legislation/the-rmps>; see also Department of Premier and Cabinet, 'Resource management and planning system', <https://www.stateplanning.tas.gov.au/planning-system/resource-management-and-planning-system>.

²³Premier of Tasmania, 'Draft Southern Tasmania Regional Land Use Strategy open for consultation', 19 November 2025, <https://www.premier.tas.gov.au/latest-news/2025/november/draft-southern-tasmania-regional-land-use-strategy-open-for-consultation>. Update: Tasmanian Government, Southern Tasmania Regional Land Use Strategy 2026, version control and declaration, 11 September 2026, https://www.stateplanning.tas.gov.au/__data/assets/pdf_file/0003/648102/Southern-Tasmania-Regional-Land-Use-Strategy.pdf.

²⁴State Planning Office, 'Tasmanian Planning Policies effective', 1 July 2026, <https://www.stateplanning.tas.gov.au/news-and-events/2026/tasmanian-planning-policies-effective>; Tasmanian Planning Commission, Draft Tasmanian Planning Policies Report, 3 June 2024, available through the assessment lifecycle at <https://www.stateplanning.tas.gov.au/have-your-say/consultations/regional-land-use-strategy-reviews/draft-tasmanian-planning-policies>.

²⁵ABC News, 'Hobart's urban growth boundary extended to allow fast-growing areas to continue to expand', 23 May 2025, <https://www.abc.net.au/news/2025-05-23/hobart-urban-growth-boundary-extended-for-development/105325246>; Tasmanian Government, 'Southern Tasmania Regional Land Use Strategy amended',

the planning merits of that particular parcel, the sequence illustrates the underlying problem: land supply decisions were made ahead of, and in at least one case outside, the strategic process meant to test and justify them.

Greater Hobart's experience with the corridor connecting Glenorchy and New Town, a four-kilometre stretch identified for renewal and increased density under the 2011 STRLUS and subsequent Hobart City Deal, illustrates the pattern: the case for growth along that corridor has been under sustained public and policy discussion for well over a decade, yet delivery, an activated growth strategy and a completed transit mode study notwithstanding, remains a long way behind the rhetoric.²⁶ It is a useful case study in why identifying the right places for growth, while necessary, does not by itself produce that growth without parallel investment and delivery capability.

Further, it has been reported that more than 900 low-rise apartment-style homes approved by the Hobart City Council have not proceeded to construction. As housing economist Professor Peter Phibbs put it in April 2026, pandemic-era cost escalation of up to 50 per cent meant that 'projects that looked really good on paper before COVID now just don't stack up,' and developers 'can't get finance to get the project to run' once a project's numbers no longer demonstrate profitability.²⁷

For approved projects held back by a feasibility gap, that gap closes through the interaction of land cost, construction cost, financing cost, holding cost, statutory charges and developer margin and risk premium, not through zoning or approvals reform alone.

This is not a problem unique to thin markets. A May 2026 industry-commissioned analysis of a mid-rise, middle-Melbourne apartment case study found a modelled cost, including required developer margin, of \$838,000 per apartment against a required sale price of \$922,000 including GST, compared with a Greater Melbourne median unit price of \$617,395: a feasibility gap of around \$300,000, or roughly 49 per cent above that median unit price.

The same analysis found middle-ring Melbourne suburbs achieving only 29 per cent of their housing targets in building approvals, with the share of townhouse approvals occurring in established middle suburbs, rather than outer growth areas, falling from 80 per cent to 60 per cent.²⁸ The APP Group's 2024 Tasmanian study also found constrained feasibility in its modelled 60-apartment Hobart infill project, both with and without an affordable-housing obligation. This provides a local starting point for a current study covering a wider range of Greater Hobart missing-middle housing.²⁹

This feasibility gap is structurally harder to close in Hobart than in larger markets, for three reasons that compound rather than operate independently. Construction costs carry the logistics premium

<https://www.stateplanning.tas.gov.au/news-and-events/2025/southern-tasmania-regional-land-use-strategy-amended> (declared 19 May 2025).

²⁶Hobart City Deal, 'Activating the Northern Suburbs Transit Corridor', https://www.hobartcitydeal.com.au/activating_the_northern_suburbs_transit_corridor.

²⁷See note 5 above.

²⁸Quantify Strategic Insights, Rethinking 70/30: The Cost of Building Where We Already Live, prepared for the Urban Development Institute of Australia (Victoria), 21 May 2026, p. 40, <https://udiavic.com.au/wp-content/uploads/2026/05/Rethinking-7030-The-Cost-of-Building-Where-We-Already-Live.pdf>.

²⁹The APP Group, Unlocking Affordable Housing in Tasmania, final report, March 2024, prepared for the Property Council of Australia, Tasmania Division, pp. 7-8, <https://www.propertycouncil.com.au/wp-content/uploads/2024/05/Unlocking-Affordable-Housing-Tasmania-Final-Report-R2.pdf>.

described above. Financing is harder to secure because Tasmania's small market depth means fewer local developers hold the balance sheet to fund a project through a downturn, fewer national or institutional financiers treat Tasmania as core business, and lenders typically apply a higher risk premium, and a higher presale hurdle, to projects in thinner markets with less price-discovery history.

The broader price context also matters: Hobart's reported median dwelling value of \$752,397 in August 2026, with annual value growth of 8.1 per cent, remains the second-lowest of any capital city market, ahead only of Darwin³⁰, providing context for the sale prices needed to support quality medium-density construction.

3.1 New models for deploying capital

If the binding constraint is now substantially financial, the reform agenda must include financial instruments, and there is a growing body of practice, both in Australia and overseas, demonstrating new approaches to unlock finance.

CASE STUDY The Greater Manchester Good Growth Fund

Mandala Partners and CBRE published research in May 2026 modelling the deployment of public 'risk capital', capital used specifically to bridge the gap between what a project can achieve on private returns alone and what it needs to proceed, at a national scale. The research finds that £8.5 billion in public risk capital could unlock almost 200,000 additional homes across England by 2031, with each pound of public investment estimated to attract £2.60 in private capital, and with the public capital itself expected to be returned to the Exchequer within ten years. The analysis treats housing risk capital as an investment with a measurable return, not simply a subsidy.³¹

The research points to the Greater Manchester Good Growth Fund as an early proof of concept. Launched in November 2025 and comprising close to £2 billion from a combination of government settlement funding, the Greater Manchester Pension Fund, borrowing against retained business rates and national co-investment, the Fund operates on the explicit principle of doing 'just enough to lever in private sector investment' and recycling returns into further rounds rather than exhausting its capital in one pass. The Fund reports that it has committed over £900 million, directly supporting more than 4,600 homes, with associated transport and enabling infrastructure expected to unlock over 4,770 additional homes.³²

Australian State Governments are moving in a similar direction, and two examples are directly relevant to the Hobart problem of approved projects that cannot clear a presale or financing hurdle.

³⁰Cotality, 'Housing downturn spreads as 93% of capital city suburbs record winter value falls', 1 September 2026, Home Value Index results table for August 2026, <https://www.cotality.com/au/insights/articles/housing-downturn-spreads-as-93-of-capital-city-suburbs-record-winter-value-falls>.

³¹Mandala Partners and CBRE UK, research on public risk capital and housing delivery, reported in CBRE UK, 'Up to 200,000 Homes Could Be Unlocked Through Targeted Public Investment, CBRE Research Finds', 20 May 2026, <https://www.cbre.co.uk/press-releases/up-to-200000-homes-could-be-unlocked-through-targeted-public-investment-cbre-research-finds>.

³²Greater Manchester Combined Authority, 'Greater Manchester Good Growth Fund', <https://www.greatermanchester-ca.gov.uk/what-we-do/economy/greater-manchester-good-growth-fund/>, accessed 19 September 2026.

CASE STUDY Presale guarantees and fast-track funds: New South Wales and South Australia

New South Wales' Pre-sale Finance Guarantee, a \$1 billion program, has the state guarantee a share of a project's presales so that lenders will finance projects that cannot independently reach commercial presale thresholds. By June 2026, the program had already accelerated delivery of more than 600 homes since opening in September 2025, according to the NSW Government. A June 2026 expansion extended guarantees of up to 100 per cent of affordable housing dwellings, capped at \$30 million per project, to not-for-profit community housing providers. The expansion also introduced a four-dwelling minimum, with guarantees of up to 75 per cent for projects of fewer than 20 homes, capped at \$30 million per project.³³

South Australia's \$500 million Apartment Fast-Track Fund is designed to provide a similar guarantee for off-the-plan apartments in the Adelaide CBD, with its June 2026 consultation paper proposing guarantees for up to 50 per cent of dwellings in eligible projects, and a companion \$500 million Housing Fast-Track Fund provides for government to secure and sell strategic land to accelerate housing supply.³⁴

The Productivity Commission's final report should examine presale guarantee and public risk-capital models of this kind as a named category of reform, sitting alongside land use, approvals and infrastructure, rather than leaving financing innovation to be inferred from the general case for reducing regulatory burden.

3.2 Building market confidence through exemplar projects

A longer-running Australian precedent shows this kind of de-risking working over a full development cycle, not only at the scale of an individual project.

CASE STUDY Adelaide's Bowden urban renewal precinct

Bowden faced a higher-density, mixed-use typology with little established market in Adelaide. Rather than guarantee a private developer's presales, the South Australian Government purchased the 10-hectare former Clipsal manufacturing site at Bowden for \$52 million in 2008, absorbing the site assembly, master planning and early public realm and infrastructure risk itself, and staging land release to private developers only once the precinct's design, infrastructure and market direction were established. Its own strategy shifted during delivery, from an initial focus on high-density apartments toward the two and three-storey townhouses buyers actually preferred, illustrating the value of a public proponent able to adjust the model based on real market response rather than a private developer locked into a single feasibility case.³⁵

³³NSW Government, 'More housing with expanded finance guarantee', ministerial release, 11 June 2026, <https://www.nsw.gov.au/ministerial-releases/more-housing-expanded-finance-guarantee>.

³⁴Government of South Australia, 'Housing', State Budget 2026-27, <https://statebudget.sa.gov.au/our-budget/housing>, budget papers released 4 June 2026; Department for Housing and Urban Development, For Consultation – Apartment Fast-Track Fund, 1 June 2026, pp. 3–5, https://www.dhud.sa.gov.au/__data/assets/pdf_file/0010/1416682/DHUD-apartment-fast-track-fund.pdf.

³⁵ABC News, 'Govt paid \$52m for Clipsal site', 15 November 2008, <https://www.abc.net.au/news/2008-11-15/govt-paid-52m-for-clipsal-site/206896>; Renewal SA, 'Bowden', <https://renewalsa.sa.gov.au/projects/bowden>; Renewal SA, 'A change in direction and a property boom make Bowden a mecca for developers with vision', <https://renewalsa.sa.gov.au/news/a-change-in-direction-and-a-property-boom-make-bowden-a-mecca-for-developers-with-vision>; and Renewal SA, 'Development Agreement signed for former Brompton Gasworks site', 19 December 2022,

Five hundred homes had sold by April 2017 and all 41 Guild Terraces townhouses sold and settled by July 2021. Renewal SA subsequently extended the same de-risking logic to the adjoining 5.81-hectare former Brompton Gasworks site, which it controlled and, in December 2022, contracted to MAB Corporation for remediation and delivery of around 800 further homes, with over 15 per cent affordable housing, alongside the Bowden project, whose own housing total is listed by Renewal SA as 1,800 homes. By the mid-2020s Bowden had become a precinct developers actively sought out, a reversal of the market's position when government first assembled the site.

Drawing on that precedent, together with the presale guarantee and risk-capital models described above and adapted to the scale and character of this market, the Committee is considering the case for a dedicated Greater Hobart de-risking vehicle.³⁶

This is raised as a proposition under active consideration by the Committee, not as an announced or funded initiative; its logic is directly relevant to the Commission's inquiry into what makes reform convert into completed homes in a market like this one.

The case for a Greater Hobart-specific vehicle, rather than reliance on national or mainland-designed instruments alone, rests on the two compounding constraints set out earlier in this submission: access to finance on terms that allow projects to proceed, and the capacity to deliver Class 2 medium-density housing at scale. Presale guarantees of the kind NSW has introduced and South Australia has proposed address the first constraint. They do less, on their own, to address the second, which is as much a question of market and community confidence as it is of construction capability. A local project that performs as expected can give lenders a comparable to underwrite. It can also give communities and councils a tangible example of good medium-density development in a Tasmanian setting, and builders a basis for investing in the systems and training needed for repeat Class 2 delivery.

The vehicle under consideration would respond to that specific gap by using de-risking capital, structured along the lines of the presale guarantee and risk-capital models described above, to bring forward one or more 'exemplar' projects: developments deliberately selected and supported to demonstrate that well-designed medium-density housing can be built successfully in Greater Hobart, sell or lease at the prices modelled, and be delivered by a local or locally-partnered contractor.

The purpose of an exemplar project is not simply to add homes, though it would, but to generate the local evidence base, on cost, on delivery risk, on market reception and on design quality, that both financiers and the local construction sector currently lack.

A successful exemplar project is, in effect, a public demonstration that closes the confidence gap sitting alongside the financing gap: it gives lenders a local comparable to underwrite against, gives builders a reference project and a trained crew to redeploy onto the next one, and gives the

<https://renewalsa.sa.gov.au/news/development-agreement-signed-for-former-brompton-gasworks-site>; Bowden, 'Bowden is moving forward with 500 homes sold and new developers on the block', 26 April 2017, <https://bowdenlife.com.au/news-events/news/bowden-is-moving-forward-with-500-homes-sold-and-new-developers-on-the-block/>.

³⁶ Kailem Irwin, Greater Hobart Missing-Middle Renewal: Integrated Demand, Feasibility and Investment Case (unpublished report, Committee for Greater Hobart, September 2026), secs. 3-4; Missing-Middle Housing Demand in Greater Hobart: Market Evidence, Product Strategy and Investability (unpublished report, Committee for Greater Hobart, September 2026), secs. 4-6; and Unlocking the Cost Stack for Greater Hobart Renewal (unpublished report, Committee for Greater Hobart, September 2026), secs. 4-6.

community a tangible, well-designed example to respond to, which matters directly to the build great places refinement proposed in section 1.

Exemplar-project vehicles of this kind, alongside broader presale guarantee and risk-capital instruments, deserve recognition in the final report as a legitimate and potentially necessary category of reform for smaller markets that lack an existing track record of medium-density delivery. Public participation should be tied to clear delivery requirements, with the state's financial exposure assessed and capped before commitments are made.

4. Housing delivery is a systems problem: no single silver bullet

The development cost stack for a typical medium-density project in Greater Hobart can be thought of as a sequence of layers: the cost of the land; statutory infrastructure and headworks charges; the direct and holding costs associated with approvals and the time they take; construction costs for labour, materials and site works; the cost of finance, including presale covenants imposed by lenders; professional and consulting fees; and the margin a developer needs to be willing to carry the risk of the project at all. A project proceeds when expected revenue covers these costs, including the required developer margin, and the project satisfies its lender's financing conditions. It does not proceed when it does not.

Individual reforms, however well designed, tend to act on only one or two layers of that stack.

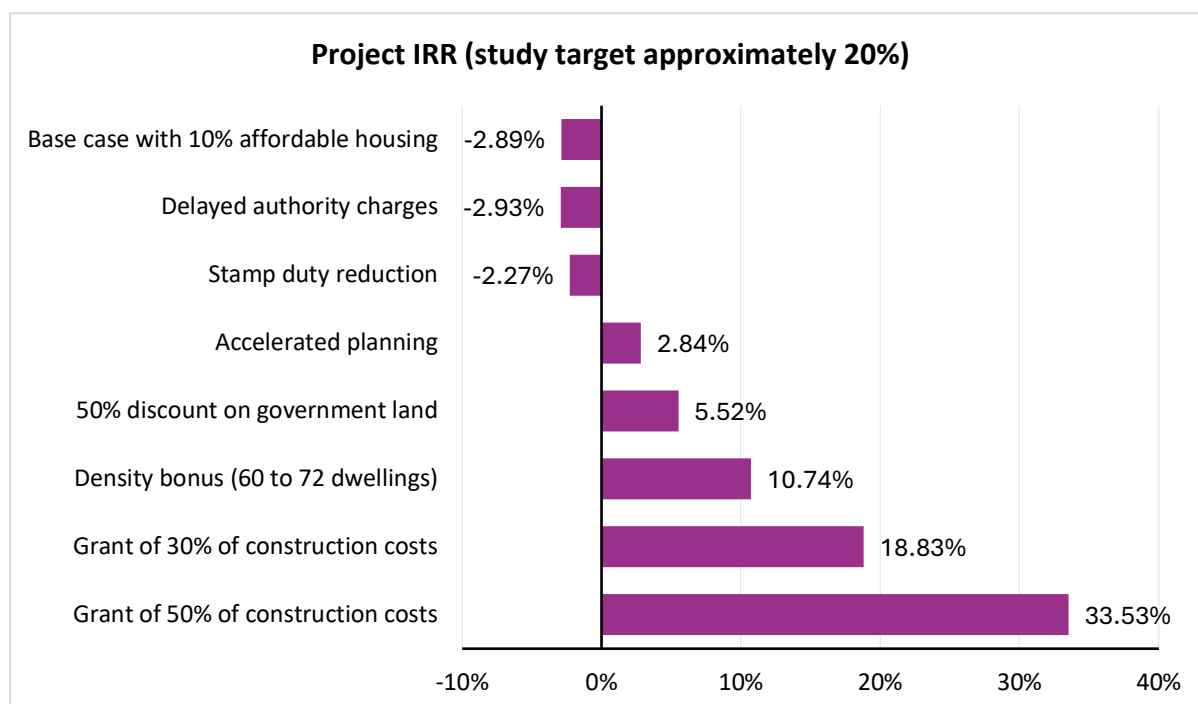
- Faster approvals reduce holding costs and the risk premium associated with delay.
- Reduced minimum lot sizes lower land cost per dwelling where they allow more homes on a site; fewer required parking spaces and more flexible setbacks avoid unnecessary construction costs.
- Better-sequenced infrastructure funding reduces financing and holding costs by shortening the wait for services and limits the risk of stranded, un-serviced land.
- Modern methods of construction, where they can achieve scale, reduce labour cost and time on site.

The size of each benefit depends on the project's cost structure, timing and financing terms.

In the APP Group's modelled Hobart infill project with an affordable-housing component, no single tested measure, other than a 50 per cent capital grant, met the target returns. The study identified combinations of measures with the potential to reach those thresholds.³⁷

³⁷The APP Group, *Unlocking Affordable Housing in Tasmania*, op. cit., p. 8.

Figure 2. Single measures often leave a gap to the return target



Hobart infill model, 2024. Each bar is a separate scenario. Grant percentages apply to construction costs; the study's approximate project IRR target is 20%.³⁸

The practical consequence is this. A project facing a substantial shortfall may require action by more than one level of government.

It requires several levers pulled at once: land-use flexibility to permit a more efficient built form; faster and more predictable approvals to reduce holding cost and risk premium; infrastructure charges that reflect actual servicing cost rather than a blunt, averaged levy; and, in a market as thin as Hobart's, some attention to the financing side of the equation, whether through risk-sharing instruments, government-underwritten presale support, or expanded institutional and build-to-rent participation, to bring the cost and availability of development finance closer to what a deeper mainland market enjoys.

The final report should state explicitly that the benefits of these reforms are cumulative and can reinforce one another, with their interactions and any overlapping savings explicitly modelled. Governments should expect to need to pull several levers concurrently rather than sequentially. Continued acute shortage after implementing headline land-use and approvals reforms should prompt investigation of the remaining constraints across the cost stack, rather than an assumption that reform has failed.

4.1 Shelter National: cumulative impact of fragmentation and lack of coordination

This submission's diagnosis is not an isolated one. Shelter (National), a national peak body advocating for improved housing access and affordability, published its own submission to this

³⁸ The APP Group, *Unlocking Affordable Housing Tasmania: Assessment of Delivery Mechanisms* (March 2024), 21, 33–34, table 6, <https://www.propertycouncil.com.au/wp-content/uploads/2024/05/Unlocking-Affordable-Housing-Tasmania-Final-Report-R2.pdf>. Separate scenarios with an affordable housing component. The finance-reduction option reports equity IRR and is excluded from the project-IRR comparison.

inquiry in July 2026, approaching the housing system primarily through the lens of affordability and social and affordable housing supply.

Shelter finds that Australia's housing challenge is 'no longer defined by a single constraint but by the cumulative effects of a fragmented, under-coordinated system,' and argues success requires 'a productivity-driven, system-wide approach' spanning planning, infrastructure, construction and institutional capacity together, rather than sequential, single-lever reform.³⁹

Shelter identifies post-approval barriers as 'the most significant and least addressed constraint' in the system and recommends the Commission and governments measure success by completions rather than approvals.

This submission endorses that recommendation, and notes that a national peak body focused on affordability and social housing supply, and a regional business-and-community body focused on a small, thin capital city market, have independently converged on the same conclusion: this is a systems problem, and it should be measured and reformed as one.

4.2 What good strategic planning can achieve: the lesson of Auckland's Unitary Plan

None of this is an argument against ambitious land-use reform. It is an argument for the right kind of land-use reform, and Auckland's 2016 Unitary Plan is one example of strategic planning put into practice.

CASE STUDY Auckland's Unitary Plan (2016)

Rather than deregulating uniformly, the Unitary Plan replaced a fragmented legacy planning system with a single, strategic, city-wide plan that lifted permitted density across roughly three-quarters of residential land, with higher-density zones near transport corridors and centres and lower-density controls elsewhere. It was strategic in the sense that matters most: it directed density to the right places rather than simply removing controls everywhere and hoping the market would sort out location.⁴⁰

The results, evaluated by University of Auckland and Motu researchers, are substantial. Between 2016 and 2021 the plan is estimated to have directly enabled about 21,800 additional home consents, around a third of consents in residential zones in that period, with roughly 50 per cent more dwellings consented than modelling suggests would have occurred without it. Per capita

³⁹Shelter (National, formerly National Shelter), submission to the Productivity Commission's Housing Supply Regulation inquiry, dated 15 June 2026, published 13 July 2026, pp. 14-17, <https://shelter.org.au/wp-content/uploads/20260615-NS-Sub-PC-Inquiry-Housing-supply-regulation-FINAL.pdf>.

⁴⁰Ryan Greenaway-McGrevy and colleagues, University of Auckland Economic Policy Centre and Motu Economic and Public Policy Research, research on the impact of Auckland's 2016 Unitary Plan, summarised in Auckland Council, 'Auckland Unitary Plan Delivers More New Homes and Affordability', OurAuckland, March 2024, <https://ourauckland.aucklandcouncil.govt.nz/news/2024/03/auckland-upzoning-sparks-more-homes-and-improved-affordability/>; see also Ryan Greenaway-McGrevy and Peter C. B. Phillips, 'The impact of upzoning on housing construction in Auckland', Journal of Urban Economics, <https://www.sciencedirect.com/science/article/abs/pii/S0094119023000244>; author working paper, May 2023, pp. 4, 17-18, <https://www.auckland.ac.nz/assets/business/about/our-research/research-institutes-and-centres/Economic-Policy-Centre--EPC-/006WP%20-%204.pdf>; and Ryan Greenaway-McGrevy and Yun So, 'Can zoning reform reduce housing costs? Evidence from rents in Auckland', Economic Inquiry, 11 July 2026, <https://onlinelibrary.wiley.com/doi/10.1111/ecin.70075>. The later study's preferred estimate is 23 per cent lower rents after eight years; the six-year estimate in the text is from the Council's 2024 summary.

building consents rose from an average of 5.9 per 1,000 residents in the two decades before the plan to 9.5 per 1,000 in the years after, overtaking New South Wales and matching Victoria. On affordability, the Council's 2024 summary reported three-bedroom rents 26 to 33 per cent below modelled counterfactuals six years after the plan, and Auckland-wide rent growth of 22 per cent between 2017 and 2024 came in well below both the New Zealand national average of 34 per cent and the 36 per cent recorded in Wellington, a comparable city that did not upzone as extensively.

The Unitary Plan shows how substantial upzoning can be delivered through strategic, city-wide planning, with density linked to transport, employment and infrastructure. At the same time, Auckland is a caution against over-claiming what land-use reform alone can deliver. A well-designed strategic plan substantially reduces the size of the affordability problem; it does not, by itself, eliminate the need for parallel action on financing, construction productivity and social and affordable supply of the kind both Shelter's submission and this one call for.

5. This is fundamentally a productivity crisis, not only a housing crisis

It is now conventional to describe Australia's housing situation as a housing crisis, and in the everyday sense of acute unaffordability and hardship, it plainly is one. The more precise and more useful diagnosis, and the one this Commission is uniquely placed to make, is that it is a productivity crisis that expresses itself through housing.

The Commission's own research is unambiguous on this point: had the broader economy tracked housing construction's productivity trajectory over the past three decades, average Australian incomes would be approximately 41 per cent lower than they are today.⁴¹ That is not a housing statistic. It is an economy-wide productivity statistic that happens to be measured through the housing sector, and it should be read as such.

Tasmania's experience shows what that productivity failure looks like when it operates in a market too small to generate its own countervailing scale economies. A fragmented national industry, in which the average residential building firm employs fewer than two people, is more fragmented again in a state with a fraction of the population of Greater Sydney.

A national innovation lag, in which construction's rate of process innovation is the lowest of any Australian industry, is harder to overcome in a market too thin to justify the fixed investment in modern methods of construction, prefabrication or digital delivery that might otherwise pay for itself.⁴² And a national shortage of development finance appetite is compounded, in a market with Tasmania's price base and transaction history, by a higher risk premium and a thinner pool of willing lenders and investors.

The question is not only whether a reform removes an unnecessary regulatory burden, though that matters and the interim report is right to press it. The question is also whether a reform builds the underlying productive capacity, in construction methods, in workforce, in finance market depth, and

⁴¹See note 17 above.

⁴²See note 18 above.

in institutional capability, that a market of Hobart's scale needs in order to convert the same regulatory headroom that a larger market would convert into new supply almost automatically.

Zoning more land and approving more projects will not by itself fix a market that lacks the builders, the trades, the prefabrication capacity or the development finance to act on that headroom. That capacity-building task is the systemic and difficult part of this inquiry's mandate, and it is where the final report should go further than the interim report has so far.

6. A governance challenge, not only a market one

Everything set out above, on typology, demand, construction capacity, feasibility and finance, describes the technical shape of the problem. It does not by itself explain why so little of it has been resolved after a decade or more of policy attention across multiple levels of government. A material part of the answer is that governance and delivery architecture, not incentives or land-use settings alone, have not kept pace with what the community now requires. Applying materially the same institutional model to this problem for another decade, and expecting a materially different outcome, understates its scale.

6.1 Social and community housing agencies are not built to deliver mixed-use, market-facing precincts

State and territory social and affordable housing agencies are, appropriately, built around a specific mission: acquiring, allocating and managing housing for people the market does not adequately serve, and measured against tenancy, waitlist and social outcome key performance indicators. That is a different institutional task, with a different culture, skill base, risk appetite and set of incentives, to assembling land, structuring a mixed private, public and affordable financing stack, carrying commercial development risk across a market cycle, and delivering mixed-use product that the private market will also buy or lease at scale. Asking a social housing agency to deliver mixed-use, market-facing precinct renewal asks an institution to succeed against KPIs it was never designed to be measured against, using a workforce recruited and retained for a different purpose. That is not a criticism of the individuals or agencies involved; it is a structural mismatch between mandate and task that goodwill inside the existing institution cannot close.

6.2 Purpose-built delivery vehicles: lessons from Renewal SA and the Hunter and Central Coast Development Corporation

Where jurisdictions have made real progress on exactly this kind of delivery, it has generally been through a distinct institutional form: a statutory development corporation, with a commercial mandate, a development-literate workforce, and the authority to assemble land, absorb early risk and carry a project across a full delivery cycle.

CASE STUDY Purpose-built delivery corporations: Renewal SA and the Hunter and Central Coast Development Corporation

South Australia's Renewal SA, discussed above in relation to the Bowden precinct, operates under the Urban Renewal Act 1995 with a mandate extending well beyond any single project to residential, commercial, industrial and mixed-use urban renewal across the state.⁴³

New South Wales' Hunter and Central Coast Development Corporation is a further example: a development corporation constituted under the Growth Centres (Development Corporations) Act 1974, formed from the merger of two earlier regional corporations, and mandated to plan and deliver urban renewal and mixed-use precincts, including Newcastle's Honeysuckle waterfront and Broadmeadow precinct renewal and town-centre redevelopment at Gosford.⁴⁴

Neither body is a social housing provider, and neither is a generalist planning department; both are commercially literate delivery agencies with the specific institutional purpose of taking projects from assembled land to completed, occupied precincts. Comparable purpose-built delivery models exist internationally, and the Committee's own comparative governance work, discussed below, has examined several of them.

6.3 A new partnership model: bringing government, community and capital together

The Committee for Greater Hobart has itself been examining what a Tasmania-appropriate version of this delivery architecture might look like, commissioning SGS Economics and Planning to assess governance options for the region in two reports published in December 2024 and April 2025. The first found Tasmania to be the only Australian jurisdiction without a dedicated government-led land development authority, identified fragmentation across the eight-council region examined by SGS and a comparatively siloed state government as a material barrier to coordinated housing and infrastructure delivery, and assessed comparative metropolitan governance models, including Auckland Council, the Greater London Authority, Metro Vancouver, and the historical Melbourne Metropolitan Board of Works, against the principles of subsidiarity, fiscal autonomy and democratic accountability.⁴⁵

Auckland Council itself, the single authority formed in 2010 through the amalgamation of eight legacy councils, is the same institution whose 2016 Unitary Plan is cited in section 4.2 as the clearest available evidence of what strategic, city-wide planning can achieve.⁴⁶ Auckland's outcome was not only a good plan; it was a governance structure capable of producing and holding to one.

The Committee's second report canvasses a streamlined, outcomes-focused delivery authority for Greater Hobart modelled on precedents including Renewal SA and the Hunter and Central Coast Development Corporation discussed above, proposed to be tested initially through a pilot on the

⁴³Renewal SA, 'About us', <https://renewalsa.sa.gov.au/about>.

⁴⁴Hunter and Central Coast Development Corporation, 'About us', <https://www.hccdc.nsw.gov.au/about-us>.

⁴⁵SGS Economics and Planning, Rethinking governance of the Hobart region, prepared for the Committee for Greater Hobart, 17 December 2024, https://committeeforgreaterhobart.com.au/wp-content/uploads/2025/05/Rethinking-governance-of-the-Greater-Hobart-region_SGS-Economics-and-Planning-report.pdf, pp. 2–3.

⁴⁶OurAuckland (Auckland Council), 'A full timeline of the Auckland Unitary Plan', 8 July 2016, <https://ourauckland.aucklandcouncil.govt.nz/news/2016/07/a-timeline-of-the-auckland-unitary-plan/>.

Hobart-Glenorchy corridor, while cautioning that any such structure should demonstrate a genuine regional problem, avoid adding bureaucracy for its own sake, and be sized to the task rather than assumed.⁴⁷

This work points to a broader conclusion that extends beyond Greater Hobart. Government alone, at any single level, does not have the balance sheet, the risk appetite or the market-facing delivery culture to carry the remaining task of national housing supply by itself, and continuing to ask it to do so while expecting a different result than the last decade has produced misreads where the constraint now sits.

The Committee for Greater Hobart, as one of the six constituent city committees of the Committee for Capital Cities, alongside the Committee for Sydney, Melbourne, Perth, Adelaide and Brisbane,⁴⁸ has backed the coalition's recent call for a new national partnership architecture between cities and other levels of government.⁴⁹

That agenda proposes replacing the Commonwealth's City Deals model, under which local government has typically been a recipient of funding negotiated between other parties, with a City Partnerships model in which local government is 'a formal signatory and governance partner, not a peripheral recipient,' with investment overseen by a National Urban Investment Board bringing together Commonwealth, state, territory and local government alongside community and academic representation, on ten-year, co-funded commitments rather than the shorter, more transactional funding rounds City Deals have typically produced, on the reasoning that 'a partnership endures; a deal is transactional.'⁵⁰

That logic can be extended one step further. The vehicles discussed in this section, whether Renewal SA, the Hunter and Central Coast Development Corporation, or the Greater Hobart de-risking vehicle described in section 3.2, work because they combine levels of government with private capital and, at their best, genuine community confidence and consent in the places being changed.

A durable national partnership model should be built to bring all three of those parties together deliberately, government, community and capital, rather than treating capital as something governments crowd in only after public money and land assembly have de-risked a project, and community as a constraint to be managed through consultation rather than a partner in setting direction.

⁴⁷Committee for Greater Hobart, Models for Long-term Decision-making: Summary Report, prepared with SGS Economics and Planning, April 2025, https://committeeforgreaterhobart.com.au/wp-content/uploads/2025/06/Models-for-long-term-decision-making_summary-report-V2.pdf.

⁴⁸Committee for Greater Hobart, 'First "Parliamentary Friends of Cities" launched to champion Australia's urban future', <https://committeeforgreaterhobart.com.au/parliamentary-friends-of-cities/>.

⁴⁹Committee for Capital Cities, Density Done Well: An Urban Agenda for Australia's Capital Cities, policy agenda, pp. 12–14, <https://committeeforgreaterhobart.com.au/wp-content/uploads/2026/09/CfCC-2026-Density-Done-Well-Policy-Agenda.pdf>.

⁵⁰See note 49 above.

7. Summary of Recommendations

1. Reframe the first principle as a “build great places mindset”, not only a build mindset. Streamlining regulation to increase volume is necessary but not sufficient; the final report should make design quality, liveability and long-term amenity an explicit condition of reform.
2. Test reforms against small and thin markets explicitly. The final report should include an explicit assessment of how its recommended reforms are expected to perform in smaller capital city markets with fragmented construction sectors and shallow development finance markets, rather than relying on national elasticity estimates drawn predominantly from the largest capitals.
3. Model and present the cumulative, not only the individual, effect of reform packages. The Commission is better placed than almost any other body in the country to model how combinations of land-use, approvals, infrastructure and financing reforms interact in typical project feasibility calculations. Presenting bundled, cumulative impact alongside single-lever rankings would materially assist state and local governments, including Tasmania's, in sequencing reform rather than treating the highest-ranked single lever as sufficient.
4. Recognise feasibility and development finance as a fourth pillar of reform, alongside land use, approvals and infrastructure. The final report should examine mechanisms, such as risk-sharing instruments, government-underwritten presale support, and settings that encourage institutional and build-to-rent participation in thinner markets, that address the financing side of the feasibility gap directly, particularly for approved projects that are stalled for financial rather than regulatory reasons.
5. Examine public and impact risk-capital and presale guarantee models as a named category of financing reform, drawing on New South Wales' Pre-sale Finance Guarantee, South Australia's Apartment Fast-Track Fund, and the United Kingdom's Greater Manchester Good Growth Fund and the Mandala Partners and CBRE research behind it. These models show how government and impact capital can act as guarantor or catalytic co-investor, using public capital to attract private investment and help turn stalled approvals into completed homes.
6. Recognise dedicated de-risking vehicles built around exemplar projects as a legitimate reform instrument for markets with little track record of medium-density delivery, consistent with the long-run precedent of Adelaide's Bowden urban renewal precinct. Presale guarantees address a project's financing gap; they do less to address the separate confidence gap that arises where lenders, builders and communities alike lack a local comparable for how medium-density housing performs. A vehicle that brings forward one or more exemplar projects, or a government proponent prepared to absorb early site and delivery risk as Bowden's did, can close both gaps at once, and the Commission's final report should treat this as a distinct, complementary instrument rather than a variant of general presale support.

7. Scale infrastructure coordination funding to the balance sheets of smaller local governments. The coordination mechanisms proposed in the interim report will only unlock land in Tasmania if they account for the more limited capacity of Tasmania's local governments, relative to their mainland capital city counterparts, to fund enabling infrastructure ahead of demand.
8. Treat construction workforce and modern methods of construction opportunities as a market-scale problem, not only a national one. Reforms to occupational licensing and the National Construction Code should explicitly consider shared, cross-jurisdictional pathways, including shared training and certification arrangements and regionally shared prefabrication capacity, that allow small markets to access scale economies they cannot generate alone.
9. Account for jurisdiction-specific structural cost disadvantages, including constrained access to modern methods of construction and prefabrication scale economies in thinner markets, in any national modelling of construction cost reduction potential, so that expected savings from national reforms are not systematically overstated for smaller and more remote markets.
10. Commission or encourage methodologically consistent development feasibility studies across a range of market sizes, not only the largest capitals. Industry-commissioned analysis already shows a feasibility gap of around \$300,000 per apartment in middle Melbourne; Greater Hobart needs an equivalent, current assessment of its missing-middle feasibility gap. The Commission could consider supporting pilots such as the Greater Hobart Renewal Trust to undertake this research, building on existing Tasmanian feasibility work and identifying the combination of measures needed to bring local projects forward.
11. Adopt completions, not approvals, as the Commission's headline measure of reform success, consistent with Shelter (National)'s submission to this inquiry and require jurisdictions to report publicly against it. This would make constraints like Hobart's 900-plus approved but unbuilt apartment homes visible in national reporting rather than obscured by approval-stage statistics that already look satisfactory.
12. Encourage Greater Hobart, and other small capitals, to undertake genuine strategic, spatially targeted density planning of the kind demonstrated by Auckland's 2016 Unitary Plan, rather than uniform deregulation or blanket "upzoning". The evidence from Auckland is that directing significantly increased density to well-chosen locations, close to transport, employment and existing infrastructure, can deliver materially more homes and better affordability than the pre-reform settings, while still requiring parallel action on financing and construction productivity to close the remaining gap.
13. Recognise governance and institutional design as a distinct pillar of housing reform, separate from land use, approvals, infrastructure and finance. The Commission's final report should examine purpose-built, commercially literate delivery vehicles, on the model of South Australia's Renewal SA and New South Wales' Hunter and Central Coast Development Corporation, as a named reform option for jurisdictions such as Tasmania that lack a dedicated land development authority, rather than assuming existing social housing agencies or generalist planning departments can absorb this function.

14. Support the development of a national City Partnerships model of the kind proposed by the Committee for Capital Cities, in which all tiers of government are governance partners rather than purely funders and funding recipients and community and capital are engaged as delivery partners from the outset.

8. Conclusion

The debate sparked by Ezra Klein and Derek Thompson's *Abundance*, published in March 2025, offers a useful frame for this issue. *Abundance*'s central insight, that regulatory friction is a genuine constraint on the supply of homes, infrastructure and clean energy, is sound on face value, and is consistent with the Interim Report's own diagnosis. However, the book's reception over the year since has also exposed its limits. The Committee's May 2026 commentary argued that the book underweighted the impact of the Global Financial Crisis on construction and the subsequent pandemic cost shock,⁵¹ reinforcing the case for addressing feasibility and finance alongside regulation. *Abundance* has also been claimed by advocates for deregulation in a narrower and less useful sense, stripped of the commitment to capable, outcomes-oriented government that gave the original argument its force.

The corrective is not to abandon concepts of deregulation but to be precise about it where genuine reform means aggressively removing sludge, the pointless friction and duplicated process that protects nothing, while preserving the substantive safeguards, on environment, heritage, safety and community, that regulation exists to provide.⁵²

Greater Hobart is a useful test case for this inquiry precisely because it is small enough that the limits of a single-lever reform agenda are can be very visible. Arguably in some areas of Greater Hobart two of the interim report's highest-priority reforms, land-use liberalisation and approval speed, have been substantially pursued, and the continuing housing shortage highlights the need to address feasibility and finance, compounded by a thin, fragmented construction sector operating at a genuine logistics disadvantage and by a delivery and governance architecture not yet designed for the task now in front of it.

The Committee would welcome the opportunity to discuss this submission further with the Commission, and to contribute Greater Hobart data or case studies to the Commission's ongoing analysis ahead of the final report due in March 2027.

Committee for Greater Hobart

Contact: Cam Crawford, Chief Executive Officer

[Redacted]

⁵¹Cam Crawford, 'Abundance, one year on: lessons for Tasmania around desludging the system, and Moonah as a solution', Committee for Greater Hobart, 8 May 2026, <https://committeeforgreaterhobart.com.au/abundance-one-year-on-lessons-for-tasmania-around-desludging-the-system-and-moonah-as-a-solution/>.

⁵²See note 51 above.