



Inner South Canberra Community Council

Australian Government Productivity Commission:

‘HOUSING SUPPLY REGULATION’ INTERIM REPORT JULY 2026

Submission by the Inner South Canberra Community Council

The Inner South Canberra Community Council (ISCCC) is supportive of well planned new housing in its district of Canberra and commends the Productivity Commission (PC) on its Interim Report.

2. Before getting into the detail of the PC proposals, it is worth taking a look at the Canberra property market in the light of what these proposals are trying to address. In our area of Inner Canberra, the Inner South, apartments completed two years ago are still unsold. Many other new apartment developments are in the pipeline or on the drawing board. They will enter a very soft market. The media are reporting the property industry as advising that the local apartment market is over supplied, but that the main area of unmet demand is stand alone houses, for which the Government is not releasing enough land.

3. Driving the Government’s policies, the official population projections are still showing a substantial rise across Canberra over the next three decades. We suspect however that these projections, driven mainly by migration, will in due course be revised downwards significantly when the immigration reduction measures currently under way, and being promoted by Federal parties likely to form the next Government, take effect. The measures affecting overseas student numbers may in particular affect Canberra, as reflected in the Chief Minister’s recent adverse comments. There is consequently a danger that the measures being promoted by the PC will at least in Canberra result in over provision of high rise apartments. It would be wise for the PC to make a sensitivity analysis of the population projections before finalising its recommendations.

4. It is perhaps unfortunate that the first of the 14 “priority reform directions” in the report, *Reform direction 2.1* is “Allow up to 3-storey developments across most residential areas”. This is apparently proposed as a desirable upzoning reform to be widely applied, with little reference to other factors that should be taken into account in planning for future residential development.

5. The importance of getting the balance right is well articulated by Emma Riley, National President of the Planning Institute of Australia (PIA), in an article in the New Daily on August 17 2026. She says: *Australians are prepared to accept more homes and more change, but they expect growth to be delivered in a way that improves neighbourhoods, keeps infrastructure and services in step, and responds to the qualities of each place. This is the true test for housing reform.*”

Housing cannot be planned in isolation from infrastructure, transport, employment, schools, utilities and services. The major choices about growth need to be made upfront through well-funded strategic planning that maps clear housing and infrastructure needs, tests where growth can best be accommodated, involves communities, and translates decisions quickly into planning control, infrastructure programs and funding commitments.”

Australia needs more medium-density housing, including townhouses, terraces, manor houses and low-rise apartments. But a blanket three-storey upzone is a simplified answer to a complex problem, and simple is not the same as strategic.”

Australia will need to keep building more homes for decades. Every successful reform will make the next stage easier. Every poor outcome makes the next community conversation harder.”

Australians are ready for density done well. The task now is to plan it properly.”

6. The ISCCC strongly supports Emma Riley s comments. We consider the ACT Government made a good start in previous times, in targeting areas around shopping centres and along public transport routes for higher density redevelopment and in preparing District-level strategic plans.

7. However, co-ordinating infrastructure upgrading with that planning has been hit and miss in the ACT, and its recent “Missing Middle Housing Reforms” with their *blanket three-storey upzone*” approach are a complete abdication of sensible planning.

8. The ISCCC also has several concerns about specific points raised in the report under *Reform direction 2.5: Review, reduce and remove land-use controls that reduce commercial feasibility and do not adhere to best practice principles.*” These are:

- *“Remove or reduce parking requirements.”* We note however that this is limited to: *“areas where there is evidence of underused parking spaces and sufficient public transport connectivity”*, which seems reasonable.
- *“Replace broad heritage protections with more targeted heritage listings with cost-benefit analysis and review processes. Blanket heritage areas should be replaced by heritage listings for specific buildings or small areas.”* We are concerned that this may be taken to apply to the ‘heritage precincts’ applying in the ACT, which are broader than *“specific buildings or small areas”* but are distinguished by having a strongly defined overall character usually associated with particular historical eras, people and design approaches. They have been

subject to expert analysis and review and should not be described as “*blanket heritage areas*” such as may perhaps be the case elsewhere.

- “*Review and reduce neighbourhood character restrictions.*” The problem with this is that the ACT’s ‘*Missing Middle Housing Reforms*’ talk vaguely about allowing redevelopment “where appropriate” but completely fail to define what this means. One good example of locality and community - sensitive planning in the ACT has been the ‘East Lake Place Plan’ for a large urban renewal area in Inner South Canberra and which establishes several different character zones.

9. In general, the ISCCC agrees that development controls and approval systems in the ACT have become unnecessarily complex. However, rather than targeting those factors in the recent ‘planning system reform’ processes, the ACT has tended to go for simplistic ‘solutions’ such as the “*blanket three-storey upzone*” approach criticised by Emma Riley.

10. It is not until *Reform direction 3.1: Consider infrastructure requirements and trade-offs associated with development early through strategic planning*” that there is some qualification to the “develop everywhere” flavour of the earlier part of the report. The ISCCC notes, and generally supports, the proposals under *Reform direction 3.1*, which says: *State and territory governments should seek to lift the burden from approvals by assessing development conditions and determining trade-offs efficiently and up-front, rather than through the development approval process.*” This includes *identifying suburbs and localities where there is a high expected demand for new housing*” and *completing technical studies...and considering how the expected uplift in housing development can be managed across these areas.*” Also *Fully considering ... any required housing-enabled infrastructure...to identify potential barriers to development early (in conjunction with reform directions 4.1 and 4.2).*

Reform Direction 4.1: Coordinate strategic planning for infrastructure with housing objectives” and *Reform direction 4.2: Improve infrastructure sequencing with housing development*”, include mostly sensible and supportable propositions.

11. We consider however that there is a significant gap in the report in that it fails to consider the legitimate role of the resident community in the planning and development of their home areas. As Emma Riley says: *Every poor outcome makes the next community conversation harder.*” Like it or not, planning and development are political processes and need community involvement and support to achieve high quality and sustainable outcomes.

Inner South Canberra Community Council, September 2026

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