



Australian Government

Australian Heritage Council

Housing Supply Regulation Inquiry
Productivity Commission
GPO Box 1428
Canberra City ACT 2601

Dear Commissioners

Australian Heritage Council Submission to Interim Report on Housing Supply Regulation

The Australian Heritage Council has a statutory role in advising the Australian Government on all aspects of heritage.

At the Council's most recent meeting members were unanimous in registering their disappointment at the approach to heritage protection in the Productivity Commission's *Interim Report on Housing Supply Regulation* (Report).

The Report presents an impression that the Productivity Commission favours winding back a range of environmental protections supporting heritage that Australians now value and take for granted. It seems to threaten a return to the era when even precious items of the national estate could be threatened in the interests of development. For many Australians this would recall a time when buildings redolent of Australian history – as well as Indigenous heritage and the natural environment – were sacrificed in the absence of planning legislation that provided for heritage protection. This disregard for heritage produced a fierce backlash. There is no evidence that the public wants to surrender legislative protection for the environment including heritage enacted since the 1970s.

The Council acknowledges and supports the intention to increase housing supply and affordability and submits that this does not need to occur at the expense of our heritage; indeed, sympathetically adapting historic buildings serves both of these objectives, while also conserving their embodied energy. The Council does not consider that there is widespread evidence that heritage is a constraint on housing supply; and further considers that the use of a small number of individual case studies is not a robust method.

The Report could give rise to the criticism that the Commission has been too ready to accept representations from the development and building sectors, without rigorous consideration of the available evidence and due regard to the social, economic and cultural value of heritage to Australian society. Although Appendix A of the Report records various inputs and engagement with more than 100 parties, there does not appear to have been any consultation with statutory heritage agencies nor with relevant professional bodies or community organisations.

It is concerning that the Report's position on heritage appears to rely on anecdotal case studies rather than a comprehensive and credible evidence base. The Commission's attention is drawn to the attached list of previous work that is relevant to understanding the relationship between heritage protection and housing supply (and economic factors generally, which the Council finds pertinent). We have provided a short list below.

These studies include consideration of how heritage assets may enhance housing supply through urban regeneration. They also include international guidance on balancing development pressures with the protection of heritage values, and show that supporting liveable communities and committing to place-making, including heritage protection, will render more liveable high-density residential development.

In short, heritage protection and housing delivery are not incompatible, and heritage protection can enhance community wellbeing and add economic value. Heritage and housing are mutually reinforcing, and this is a theme that deserves to be more rigorously explored by the Commission. Experience confirms integrating heritage considerations early in development can minimise conflict. The best developers build heritage into their business plans. They have learned to seek advice early in the planning process. This enhances outcomes for them as investors, and it works for residents too.

The Australian Heritage Council strongly recommends attention to these concerns in the Commission's final report and in particular urges that the Commission gather and have due regard to better evidence regarding the role of heritage in housing supply, engage with heritage agencies and organisations, and reconsider the heritage element of Reform Direction 2.5 such that it responds to the available evidence.

Yours sincerely,

The Hon Bob Carr

Chair, Australian Heritage Council

28 September 2026

Encl.

Selected studies:

Why Heritage: A synthesis of evidence for the social, economic and environmental impacts of heritage (2023). <https://heritagecouncil.vic.gov.au/research-guidance/reports/valuing-victorias-heritage>

Australia ICOMOS, *Submissions on Housing and Planning Reform*. <https://australia.icomos.org/publications/submissions/>.

Valuing the Priceless: The Value of Historic Heritage in Australia (November 2005), The Allen Consulting Group, for the Heritage Chairs and Officials of Australia and New Zealand. <https://assets.heritagecouncil.vic.gov.au/assets/hearing-submission-The-Allen-Consulting-Group-Valuing-the-Priceless-The-Value-of-Historic-Heritage-in-Australia-Research-Report-2-November-2005-3-June.pdf>

Historic England 2024, *Heritage Works for Housing*, Historic England, London. <https://historicengland.org.uk/advice/planning/housing/heritage-works-for-housing/>.

NSW Government, Heritage NSW, *NSW Heritage Strategy*. <https://www.environment.nsw.gov.au/topics/heritage/nsw-heritage-strategy>.

The Value of Heritage: Summary Report (2017; final version dated January 2018). SGS Economics and Planning, for the Victorian Department of Environment, Land, Water and Planning, https://assets.heritagecouncil.vic.gov.au/assets/Valuing_Victorias_Heritage_Summary_Report-compressed.pdf

How Do You Value an Icon? The Sydney Opera House: Economic, Cultural and Digital Value (2013), Deloitte Access Economics, https://www.sydneyoperahouse.com/sites/default/files/collaborodam_assets/deloitte-report-2013.pdf Note that there are other studies like this concerning World Heritage properties, a growing number of which are in urban areas. There are national and international requirements for nearby development that cannot be swept aside.

UNESCO 2011, Recommendation on the Historic Urban Landscape. <https://whc.unesco.org/en/hul/> For an Australian case study, see City of Ballarat, <https://www.hulballarat.org.au/>

Historic England, *Heritage Counts*, Historic England, London. Available at: <https://historicengland.org.uk/research/heritage-counts/>.