

Submission to the Productivity Commission

Housing Regulation, Planning Systems and Housing-Enabling Infrastructure Review

Response to Information Requests 1.1–5.1

1. Cover Letter

Private Submission

Perth, Western Australia

September 2026

Commissioners

Productivity Commission

Housing Regulation, Planning Systems and Housing-Enabling Infrastructure Review

Re: Submission in Response to Information Requests 1.1–5.1

Dear Commissioners,

Thank you for the opportunity to provide this submission to the Productivity Commission's Housing Regulation, Planning Systems and Housing-Enabling Infrastructure Review.

I welcome the Commission's examination of the regulatory, planning and infrastructure factors that influence housing supply, affordability and accessibility across Australia.

This review presents a significant opportunity to address the structural factors contributing to Australia's housing affordability and supply challenges.

While recent policy efforts have focused largely on increasing dwelling numbers, housing outcomes are increasingly shaped by the interaction of planning systems, infrastructure delivery, demographic change, taxation settings, housing mobility, land supply, and community expectations.

This submission supports the Commission's proposed best-practice principles of:

- Adopting a "build" mindset.
- Regulating only where necessary.
- Coordinating housing and infrastructure.
- Simplifying planning and approval processes.

However, it is submitted that planning reform alone will be insufficient to achieve Australia's housing objectives.

Australia's housing challenge is fundamentally a systems challenge.

The most effective reforms will simultaneously:

- Increase housing supply.
- Improve utilisation of existing housing stock.
- Encourage housing mobility.
- Support ageing in place.
- Accelerate infrastructure delivery.
- Unlock government-owned land.
- Improve Aboriginal and Torres Strait Islander housing outcomes.
- Reduce approval uncertainty and project risk.

Particular attention is given to:

- Housing Mobility and Intergenerational Renewal.
- Accessible Downsizer Housing.
- Missing-Middle Housing Typologies.
- Indigenous Housing Acceleration Precincts.
- Defence Land Redevelopment Opportunities.
- Housing-Enabling Infrastructure Finance Reform.
- Closing the Gap Outcome 9 delivery.

The recommendations have been structured around practical implementation pathways, measurable targets and nationally consistent performance indicators.

I appreciate the opportunity to contribute to this important review and would welcome further consideration of the ideas presented, particularly in relation to housing mobility, accessible downsizer housing, Indigenous housing partnerships and infrastructure-enabled redevelopment of Commonwealth land.

Thank you for considering this submission.

Yours faithfully,

Private Submission

2. Executive Summary

Australia's housing affordability and supply challenges are increasingly driven by the cumulative interaction of land-use regulation, approval timeframes, infrastructure constraints, financing mechanisms, housing mobility barriers, demographic change and under-utilisation of existing housing stock.

This submission supports the Productivity Commission's proposed objective that housing regulatory systems should:

Enable sufficient housing to meet the needs of current and future Australians in locations that maximise economic, social, cultural and environmental outcomes.

However, the submission argues that housing reform should move beyond a narrow focus on zoning and approvals and recognise that housing supply, affordability and accessibility are interconnected outcomes.

This submission proposes a nationally coordinated reform framework comprising:

- Planning system reform.
- Housing mobility incentives.
- Housing diversity and accessibility standards.
- Housing-enabling infrastructure reform.
- Commonwealth land release.
- Defence land redevelopment.
- Indigenous Housing Acceleration Precincts.
- Closing the Gap housing delivery measures.
- Treasury and Australian Taxation Office reforms.
- National performance reporting and accountability.

The proposals are designed to support the Commonwealth's National Housing Accord objective of delivering 1.2 million homes while simultaneously supporting Closing the Gap Outcome 9 and improving the efficiency of Australia's housing regulatory system.

The submission supports the National Housing Accord objective while recognising that supply targets are unlikely to be achieved without regulatory, infrastructure and housing mobility reforms operating together.

3. Key Recommendations

Recommendation 1

Establish a National Indigenous Housing Delivery Framework aligned with Outcome 9 of the National Agreement on Closing the Gap. The National Agreement identifies Outcome 9 as ensuring Aboriginal and Torres Strait Islander people secure appropriate and affordable housing aligned with their needs.

Recommendation 2

Create Indigenous Housing Acceleration Precincts on Commonwealth and State-owned land.

Recommendation 3

Establish a National Defence Land Housing Program commencing with assessment of:

- Irwin Barracks (Western Australia)
- Leeuwin Barracks (Western Australia)

for housing and mixed-use redevelopment opportunities.

Recommendation 4

Implement a National Housing Mobility and Intergenerational Renewal Program.

Recommendation 5

Create Housing Mobility Reinvestment Accounts supported by Treasury and ATO reforms.

Recommendation 6

Establish a National Downsizer Housing Framework and accessibility standards.

Recommendation 7

Create a National Housing-Enabling Infrastructure Financing Program.

Recommendation 8

Implement national housing delivery reporting performance dashboard.

Recommendation 9

Develop nationally consistent measures of:

- Zoned land.
- Serviced land.
- Approved land.
- Infrastructure-ready land.
- Commercially feasible land.
- Government-controlled developable land.

Recommendation 10

Performance-Linked Commonwealth Funding Mechanisms.

- Link federal infrastructure funding and planning reform incentives to measurable housing outcomes.

4. Response to Information Request 1.1

Housing Reform as a Closing the Gap Mechanism

Housing should be recognised as economic infrastructure rather than solely social infrastructure.

Evidence consistently demonstrates strong links between housing quality, overcrowding, educational participation, workforce participation, health outcomes, social cohesion and long-term economic opportunity.

The National Agreement on Closing the Gap identifies appropriate housing as a specific national target area. Recent reporting indicates progress toward appropriately sized housing, but national targets remain unmet.

Housing outcomes directly influence:

- Health outcomes.
- Educational participation.
- Workforce participation.
- Community safety.
- Economic development.
- Intergenerational wealth creation.

Housing regulation therefore has direct implications for Closing the Gap outcomes.

Recommendation

All major housing reforms should be assessed against:

- Housing supply impacts.
- Housing affordability impacts.
- Indigenous housing outcomes.
- Closing the Gap Outcome 9 performance indicators.

Regulatory systems that prevent housing delivery in Indigenous communities, delay infrastructure connections, or constrain Indigenous participation in development ultimately contribute to wider social and economic disadvantage.

Indigenous Housing Acceleration Precincts

The Commonwealth should establish a new category of development precincts specifically designed to accelerate Indigenous housing delivery.

Potential locations include:

- Commonwealth land.
- Defence land.
- Urban renewal areas.
- Strategic regional centres.
- Transport-oriented development precincts.

These precincts should require:

- Indigenous governance participation.
- Indigenous procurement targets.
- Indigenous workforce participation targets.
- Indigenous home ownership pathways.
- Indigenous business participation.

National Targets by 2035

Indicator	Target
Indigenous home ownership increase	+15 percentage points
Indigenous affordable dwellings	15,000
Indigenous social housing	10,000
Indigenous apprenticeships	10,000
Indigenous housing workforce participants	15,000
Indigenous procurement expenditure	\$5 billion

These targets should be publicly reported alongside existing Closing the Gap reporting frameworks.

The current Closing the Gap target seeks to increase the proportion of Aboriginal and Torres Strait Islander people living in appropriately sized housing to 88 per cent.

Recent reporting indicates progress but the target is not yet achieved nationally.

Defence Land Redevelopment as a National Housing Reform Opportunity

The Australian Government should undertake a comprehensive review of surplus and under-utilised Defence landholdings capable of supporting housing supply.

Defence land redevelopment should be considered infrastructure-enabled housing supply rather than land release alone.

Unlike many greenfield developments, Defence sites often contain:

- Existing transport networks.
- Existing roads.
- Existing utility corridors.
- Existing water and sewer infrastructure.
- Existing communications infrastructure.
- Large sites under consolidated ownership.

This significantly reduces:

- Land assembly risk.
- Infrastructure lead times.
- Approval complexity.
- Infrastructure lead times.
- Development uncertainty.

Irwin Barracks and Leeuwin Barracks

The redevelopment of Irwin Barracks and Leeuwin Barracks should be examined as demonstration projects for:

- Mixed-tenure housing.
- Affordable housing.
- Indigenous housing.
- Key worker housing.
- Housing diversity.
- Transit-oriented development.
- Integrated community planning.
- Community infrastructure integration.

At a national level, redevelopment of suitable Defence land could become a significant contributor to housing supply while supporting broader policy objectives.

5. Response to Information Requests 2.1–2.3

Housing Diversity, Accessibility and Housing Mobility

The Missing Dimension in Housing Reform

Current housing reform discussions often assume:

Increased density requires smaller dwellings and taller buildings.

This assumption does not adequately reflect:

- Ageing demographics.
- Accessibility obligations.
- Housing mobility objectives.
- Ageing-in-place preferences.
- Livable Housing Design Standards.

The housing challenge is not merely:

- A dwelling count challenge.

It is also:

- A dwelling-type challenge.
- An ageing-in-place problem.
- An accessibility challenge.
- A demographic transition problem.
- An intergenerational mobility challenge.

Many older Australians are willing to downsize but not at the expense of accessibility, independence, community connection or long-term suitability.

National Downsizer Housing Framework

Proposed Definition of Downsizer Housing

Location

Must be:

- Located in Australia.
- Within 20km of a major metropolitan or regional centre.

This supports continued access to:

- Health services.
- Public transport.
- Retail services.
- Social infrastructure.
- Community networks.

Accessibility Standards

Must include:

- Step-free access.
- Lift access (where multi-storey).
- Doorways greater than or equal to 850mm.
- Accessible bathroom with:
 - Step-free shower.
 - Bathroom grab rail reinforcement.
- Adaptable kitchen design.
- Ground floor living capability.

These standards are consistent with ageing-in-place objectives and contemporary accessibility principles.

Maximum Dwelling Sizes

Housing Type	Maximum Area
Apartment	120m ²
Townhouse/Semi-detached	180m ²
Detached dwelling	250m ²

These limits acknowledge that downsizers often require space for:

- Mobility aids.
- Visiting family.
- Home offices.
- Medical equipment.
- Future care requirements.

Excluded Dwelling Types

- Investment properties.
- Short-term accommodation.
- Airbnb accommodation.
- Shared ownership investment products.
- Non-owner occupied dwellings.

Missing Middle Housing

Current planning systems frequently prioritise:

- Detached housing.
- Mid-rise apartments.
- High-rise apartments.

Insufficient emphasis is given to:

- Villas.
- Courtyard housing.
- Single-level terraces.
- Accessible townhouses.
- Duplexes.
- Triplexes.
- Manor housing.

These forms provide:

- Greater accessibility.
- Higher acceptance among downsizers.
- Better accessibility outcomes.
- Increased density.
- Lower construction costs.
- Faster delivery rates.

Housing Mobility and Intergenerational Renewal Program

Policy Objective

Encourage voluntary downsizing while maintaining community connection, without financial penalties while unlocking larger family housing for younger households.

A successful housing mobility strategy increases supply without necessarily requiring significant new greenfield land release.

Housing Mobility Targets (2035)

Indicator	Target
Downsizing households	250,000
Family homes released	200,000
Additional infill dwellings	150,000
Government land housing delivery	20,000

Treasury Reforms

Housing Mobility Reinvestment Accounts should provide:

- Five-year asset test protection.
- Five-year deeming protection.
- Concessional tax treatment.
- Preservation of seniors concessions.

ATO Reforms

Create a Housing Mobility Certificate enabling streamlined eligibility for downsizing incentives:

- Occupying the home for ten years or more.
- Voluntarily downsizing into a qualifying dwelling.
- Release larger housing stock into the owner-occupier housing market.

This builds upon existing downsizer contribution arrangements administered by the Australian Taxation Office. The existing scheme allows eligible older Australians to contribute proceeds from the sale of their principal residence into superannuation.

6. Response to Information Requests 3.1–3.4

Planning and Approval Reform

Major Causes of Delay

- Referral agency duplication.
- Requests for further information.
- Subjective design assessments.
- Appeal processes.
- Infrastructure servicing uncertainty.
- Infrastructure coordination delays.

Code-Based Assessment

Once strategic planning is completed and planning controls are publicly established
Where a proposal complies with:

- Compliant projects should generally proceed via streamlined and largely administrative assessment pathways.
- Planning certainty should increase.
 - Zoning.
 - Height controls.
 - Density controls.
 - Infrastructure requirements.
- Approval timeframes should reduce.
- Administrative burden should decline..

Digital and AI Planning Systems

Governments should progressively adopt:

- Digital lodgement systems.
- Automated compliance checking.
- AI-supported application review.
- Workflow monitoring.
- Approval reporting systems.

National Planning Dashboard

Jurisdictions should publish:

- Approval times.
- Refusal rates.
- Appeal outcomes.
- Infrastructure connection delays.
- Requests for further information.

7. Response to Information Requests 4.1–4.5

Housing-Enabling Infrastructure Reform

Infrastructure increasingly determines housing feasibility.

Common bottlenecks include:

- Water infrastructure.
- Wastewater infrastructure.
- Road capacity.
- Electricity capacity.
- Telecommunications infrastructure.

Planning reform without infrastructure reform will not achieve housing targets.

National Housing-Enabling Infrastructure Financing Facility

Potential tools include:

- Infrastructure bridging finance.
- Low-interest loans.
- Infrastructure underwriting.
- First-mover funding arrangements.
- Government guarantees.
- Cost-recovery frameworks.

The Productivity Commission discussion paper highlights the importance of infrastructure coordination and development contribution frameworks in enabling housing delivery.

Developer Contributions

Governments should:

- Improve nexus guidance.
- Publish contribution methodologies.
- Set charges upfront where possible.
- Address first-mover disadvantages.
- Improve funding sequencing.

8. Response to Information Request 5.1

Implementation Priorities

Quick Wins

Reform	Complexity	Impact
Defence land audit	Low	High
Housing mobility reforms	Medium	High
Planning dashboards	Low	High
Missing-middle reforms	Medium	High
Secondary dwelling reform	Low	Medium

Higher Complexity Reforms

Reform	Complexity	Impact
State planning reform	High	Very High
Infrastructure reform	High	Very High
Heritage reform	High	High
Inclusionary zoning reform	High	High

9. Fiscal and Economic Impact Assessment

Indicative Commonwealth Cost Estimates

Initiative	Estimated Cost (10 Years)
Housing Mobility Incentives	\$1.5-2.5 billion
Indigenous Housing Acceleration Precincts	\$2-4 billion
Infrastructure Bridging Finance	\$3-8 billion
Infrastructure Underwriting	\$2-5 billion
Defence Land Activation	\$250-500 million

These estimates are policy-scenario estimates intended to support further Treasury and departmental evaluation.

Expected Economic Benefits

Potential benefits include:

- Improved labour mobility.
- Reduced infrastructure duplication.
- Reduced urban fringe infrastructure costs.
- Increased housing utilisation.
- Increased construction activity.
- Increased Indigenous economic participation.
- Lower planning costs.
- Improved housing affordability.

The OECD has repeatedly identified the relationship between housing supply responsiveness, labour mobility and economic productivity.

10. State and Territory Considerations

Planning systems vary considerably.

New South Wales

- State Significant Development pathways.
- Section 7.11 infrastructure framework.

Victoria

- Higher local government discretion.
- Clause 55 framework.

Queensland

- SARA referral model.
- Significant local planning variation.

Western Australia

- Development Assessment Panels.
- Defence redevelopment opportunities.

South Australia

- Planning and Design Code.

ACT, Tasmania and Northern Territory

- Strong opportunities for pilot implementation.

Not all jurisdictions currently permit:

- Missing-middle housing.
- Accessible downsizer housing.
- Reduced parking ratios.
- Infill subdivision.

Commonwealth incentive programs should therefore reward demonstrated reform outcomes rather than compliance with a single planning model.

11. Implementation Roadmap

Phase 1 (2027-2028)

- National land audit.
- Defence land review.
- Housing Mobility legislation.
- National reporting framework.
- Indigenous Housing Acceleration Precinct framework.

Phase 2 (2028-2030)

- Infrastructure financing rollout.
- Defence land pilot projects.
- Planning digitisation.
- Housing mobility implementation.
- State reform agreements.

Phase 3 (2030-2035)

- National expansion.
- Program evaluation.
- Closing the Gap review.
- Intergovernmental performance funding framework.
- Performance-linked funding.

12. Risks and Mitigations

Risk	Mitigation
Community opposition	Early engagement and precinct planning
Infrastructure delays	Commonwealth financing support
Cost escalation	Staged implementation
Low council participation	Funding incentives
Low downsizer uptake	Treasury and ATO incentives
Indigenous targets not achieved	Mandatory reporting

13. Conclusion

Australia's housing shortage is fundamentally a systems challenge rather than a land availability challenge alone.

Housing outcomes depend upon:

- Planning systems.
- Infrastructure provision.
- Housing mobility.
- Accessibility.
- Financial incentives.
- Indigenous housing outcomes.
- Government land utilisation.

The redevelopment of Irwin Barracks and Leeuwin Barracks presents an opportunity to demonstrate how Commonwealth-owned land can simultaneously support housing supply, community renewal, accessibility objectives, Indigenous economic participation and Closing the Gap outcomes.

The Productivity Commission should therefore pursue an integrated reform agenda that integrates housing supply, infrastructure delivery, accessibility, housing diversity, ageing-in-place principles and Indigenous housing outcomes into a single national housing reform agenda..

A coordinated approach of this nature would improve affordability, strengthen housing supply, support demographic transition, improve infrastructure efficiency and contribute meaningfully to both the National Housing Accord and the National Agreement on Closing the Gap.

14. References

Australian Bureau of Statistics (ABS)

Australian Taxation Office (ATO) Downsizer Contribution Scheme

National Housing Accord

National Agreement on Closing the Gap

Organisation for Economic Co-operation and Development (OECD) Housing Policy Frameworks

Productivity Commission Housing Regulation, Planning Systems and Housing-Enabling Infrastructure Review

State Planning and Development Frameworks (NSW, VIC, QLD, WA, SA, TAS, ACT, NT)

Note: The fiscal impacts and dwelling targets in this submission are policy scenario estimates developed for reform evaluation purposes and should be validated through Treasury, Infrastructure Australia and National Housing Supply and Affordability Council modelling prior to implementation.

Appendix A – Housing Mobility and Downsizer Framework

Objectives

- Release under-utilised family housing.
- Support ageing in place.
- Reduce maintenance burdens.
- Improve accessibility.
- Increase housing mobility.

Proposed Incentives

- Housing Mobility Reinvestment Accounts.
- Pension protection provisions.
- Seniors concession protections.
- ATO Housing Mobility Certificate.

Success Measures

- 250,000 downsizing households.
- 200,000 family homes released.
- 150,000 additional infill dwellings.

Appendix B – Defence Land Redevelopment Opportunities

Irwin Barracks

Potential uses:

- Affordable housing.
- Indigenous housing.
- Key worker housing.
- Community infrastructure.

Leeuwin Barracks

Potential uses:

- Mixed-tenure housing.
- Transit-oriented development.
- Age-friendly housing.
- Indigenous home ownership opportunities.

Strategic Benefits

- Existing infrastructure.
- Consolidated ownership.
- Reduced project complexity.
- Accelerated housing delivery.

Appendix C – Closing the Gap Housing Delivery Framework

Core Principles

- Indigenous self-determination.
- Community-led planning.
- Home ownership pathways.
- Indigenous procurement.
- Economic participation.

Reporting Indicators

- Home ownership.
- Affordable housing delivery.
- Indigenous employment.
- Indigenous contracting.
- Housing crowding outcomes.

Appendix D – Indicative Costings and Assumptions

Key Assumptions

- National implementation period: 10 years.
- Shared funding arrangements between Commonwealth and States.
- Existing housing and infrastructure programs leveraged where possible.
- Cost estimates expressed as indicative policy ranges.

Cost Summary

Initiative	Indicative Cost
Housing Mobility Program	\$1.5-2.5B
Indigenous Housing Programs	\$2-4B
Infrastructure Finance Facility	\$3-8B
Infrastructure Underwriting	\$2-5B
Defence Land Activation	\$250-500M

Expected Outcomes

- Increased housing supply.
- Improved affordability.
- Better utilisation of existing housing stock.
- Stronger Closing the Gap outcomes.
- Greater infrastructure efficiency.
- Improved long-term productivity.