



HIA Submission

**Inquiry into Housing Supply Regulation
Response to Interim Report**

THE PRODUCTIVITY COMMISSION

20 September 2026



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About HIA

As the voice of the residential building industry, HIA represents a membership of 60,000 across Australia. Our members are involved in delivering more than 170,000 new homes each year through the construction of new housing estates, detached homes, low and medium-density housing developments, apartment buildings and completing renovations on Australia's over 11 million existing homes.

HIA members comprise a diverse mix of businesses, including volume builders delivering thousands of new homes a year through to small and medium home builders delivering one or more custom built homes a year. From sole traders to multi-nationals, HIA members construct over 85 per cent of the nation's new building stock.

The residential building industry is one of Australia's most dynamic, innovative and efficient service industries and is a key driver of the Australian economy. The residential building industry has a wide reach into the manufacturing, supply and retail sectors.

Contributing over \$100 billion per annum and accounting for 5.8 per cent of GDP, the residential building industry employs over one million people, representing tens of thousands of small businesses and over 200,000 sub-contractors reliant on the industry for their livelihood.

HIA exists to service the businesses it represents, advocate for the best possible business environment for the building industry and to encourage a responsible and quality driven, affordable residential building development industry. HIA's mission is to:

"promote policies and provide services which enhance our members' business practices, products and profitability, consistent with the highest standards of professional and commercial conduct."

HIA develops and advocates policy on behalf of members to further advance new home building and renovating, enabling members to provide affordable and appropriate housing to the growing Australian population. New policy is generated through a grassroots process that starts with local and regional committees before progressing to the National Policy Congress by which time it has passed through almost 1,000 sets of hands.

Policy development is supported by an ongoing process of collecting and analysing data, forecasting, and providing industry data and insights for members, the general public and on a contract basis.

The association operates offices in 22 centres around the nation providing a wide range of advocacy, business support services and products for members, including legal, technical, planning, workplace health and safety and business compliance advice, along with training services, contracts and stationery, industry awards for excellence, and member only discounts on goods and services



Introduction

HIA Support for the Productivity Commission's Reform Directions

HIA supports the Productivity Commission's overall conclusion that land use regulation, infrastructure coordination and inefficient development assessment systems are key factors constraining housing supply across Australia. HIA particularly supports the Commission's recognition that reform of land use planning controls is likely to have the greatest impact on improving housing supply, affordability and consumer choice.

HIA commends the Commission on identifying important reform directions relating to:

- increased housing density in appropriate locations;
- reduction of minimum lot size requirements;
- greater housing diversity and delivery of missing middle housing;
- expanded fast-track, code-assessable and deemed-to-comply assessment pathways;
- improved infrastructure planning, sequencing and coordination;
- greater transparency and consistency in infrastructure charging and developer contribution frameworks; and
- increased use of digital assessment systems, automation and artificial intelligence tools.

HIA notes that housing policy must recognise Australia's diverse settlement patterns and consumer preferences. While increasing density in appropriate urban locations will form an important part of the housing solution, it should not be assumed that all Australians wish to live in major capital cities.

Around one-quarter of Australians currently live in regional Australia, with regional populations continuing to grow, while net internal migration from capital cities to regional areas remains elevated by historical standards. More broadly, HIA's regional housing analysis estimates that nearly one-third of Australians now live in regional Australia¹. Housing reform should therefore support a diversity of housing and locational choices, including well-serviced greenfield development and housing opportunities in regional communities, alongside infill and higher-density development in established urban areas.

Overall, HIA considers the interim report to provide a strong foundation for addressing many of the structural barriers limiting housing supply across Australia. However, further reforms will be required if governments are to achieve their stated housing supply and affordability objectives.

Accordingly, **Section 1** of this submission responds directly to the Productivity Commission's requests for further information and consultation questions. These responses draw on HIA member experience across residential building, land development, planning, design and certification to provide practical examples of the issues identified in the interim report.

Section 2 outlines additional matters for the Commission's consideration and identifies further reform opportunities that HIA believes warrant attention in the final report. These include issues relating rezoning and greenfield land supply, environmental assessment processes, urban growth boundaries, uncoordinated legislation and broader development assessment reform.

While HIA supports the overall direction of the interim report, these additional matters are critical to ensuring that future planning reforms not only improve assessment efficiency but also support the timely and commercially viable delivery of new housing across a range of housing types and locations.

¹ Housing Industry Association. (2025). *Housing the regions: The plan to house Australia's growing regional population*.



Implementation and Accountability

HIA supports the Productivity Commission's reform directions but notes that Australia has produced numerous reviews, inquiries and reform agendas aimed at improving housing supply over many years. The challenge is no longer identifying the barriers to housing delivery. The challenge is implementing reforms consistently across jurisdictions and maintaining momentum beyond the release of a final report.

To ensure the Commission's recommendations translate into tangible outcomes, the final report should include a nationally coordinated implementation roadmap. This roadmap should identify priority reforms, allocate responsibility for delivery, establish clear timeframes and incorporate measurable performance indicators. Without a clear implementation framework, there is a risk that important reforms become subject to further consultation and delay rather than delivering meaningful improvements in housing supply.

To avoid reform momentum being lost following the release of the final report, governments should commit to clear implementation timeframes, defined deliverables and regular reporting on progress. Priority should be given to reforms that can deliver immediate improvements to housing supply while establishing a pathway for longer-term planning and regulatory reform. The effectiveness of the reform agenda should ultimately be measured by tangible housing outcomes, including increased housing approvals, commencements and completions, rather than the production of additional reviews, strategies or policy frameworks.

1. Response to Information Requests

Information Request 1.2 – Principles of Best Practice Housing Regulation

Productivity Commission Questions

- *What features should governments have in mind when evaluating reforms to move housing regulatory systems towards best practice?*
- *Are the best practice principles and overarching objective (figure 1.2) we have identified appropriate? If not, what changes should be made?*

HIA supports the Commission's proposed principles of:

1. Adopting a "build mindset";
2. Only regulating where necessary;
3. Coordinate with infrastructure; and
4. Keep the process simple.

However, HIA suggests that the proposed framework would be strengthened by the inclusion of an additional principle focused on '**Maintaining Regulatory Accountability**'.

Proposed Additional Principle 5: Maintaining Regulatory Accountability

In HIA's view, one of the most significant challenges facing the residential building industry is not any single regulation, but the cumulative effect of continuous regulatory expansion across multiple levels of government.

Over recent decades, planning systems, environmental regulations, building requirements, infrastructure charging frameworks and approval processes have all increased in complexity. While many individual reforms have been introduced with legitimate policy objectives, insufficient attention has been given to the cumulative cost burden, administrative complexity and housing affordability impacts that arise when these reforms operate together.

In addition to new regulation being adopted without a holistic view with the broader impacts and often enforced by regulators in policy silos, many decisions impacting housing, particularly in planning regulation are adopted without a cost-benefit analysis or a transparent evidence base to inform those decisions. In some jurisdictions, these decisions can be made by local councillors with limited to understanding of development processes or economics and are made simply based on isolated resident concerns.

HIA is of the view that a best practice regulatory framework needs to ensure the following:

- **Evidence-based regulation** – Regulation interventions should be supported by transparent evidence demonstrating a clear problem or market failure.
- **Rigorous cost-benefit analysis** – Assessment of both regulatory benefits and impacts on housing affordability, housing supply, productivity, economic, social and community outcomes.
- **Consideration of cumulative regulatory burden** – Evaluate how new requirements interact with existing planning, environmental, infrastructure and housing regulations.
- **Proportionality** – Regulatory requirements should be proportionate to the risk or issue being addressed.
- **Removal of unnecessary regulation** – Eliminate outdated, duplicative or ineffective requirement that no longer provide a demonstrable public benefit.

- **Post-implementation evaluation** – Governments should assess whether reforms have delivered their intended outcomes and adjust where necessary.
- **Regulatory certainty (HIA Truth in Zoning)** – Once matters have been appropriately assessed and approved, proponents should be able to rely on those decisions without unnecessary reassessment or barriers to completing later stages of the development.
- **Whole-of-government coordination** – Ensure regulatory changes consider impacts across Commonwealth, State, Territory and local government frameworks.
- **Housing supply, affordability and productivity lens** – Explicit consideration of impacts on housing supply, housing affordability and construction productivity.
- **Small business impacts** – Recognition that most residential building businesses are small businesses that face disproportionate compliance burdens.



Figure 2: Proposed New Principle 5 – ‘Maintain Regulatory Accountability’

Table 1: Examples of Proposed New Principle 5 – Maintaining Regulatory Accountability

What this principle is	What this principle is not
• Regulation is only introduced when supported by a transparent cost-benefit analysis	• New regulation introduced without supporting cost-benefit analysis.
• Considering the cumulative effect of regulation across multiple frameworks	• Agencies developing policy in isolation
• Requirements proportionate to the risk being managed	• Blanket controls that exceed the risk being addressed
• Regular review and removal of outdated or ineffective regulation	• Retaining requirements that no longer provide a clear public benefit
• Major development constraints identified and resolved early in the development process (HIA Truth in Zoning)	• New constraints emerging after land has been released, zoned or approved



- | | |
|---|---|
| • Confidence that matters addressed through earlier approvals will not be routinely revisited | • Repeated reassessment of previously approved matters |
| • Coordination across Commonwealth, State, Territory and local government frameworks | • Overlapping approvals and inconsistent regulatory requirements |
| • Consideration of impacts on small businesses and housing consumers | • Compliance costs imposed without regard to who bears the burden |
| • Regular review of regulatory outcomes and willingness to amend or remove ineffective requirements | • Adopting new legislation with a “set and forget” mindset. |

Information Request 2.1 – Design Regulation and Development Feasibility

Productivity Commission Information Request

- *Do design-focused regulations (e.g. tree canopy requirements, apartment layout and storage) directly impact commercially feasible capacity?*

Continual increase in design requirements through planning schemes

Design-focused regulation has a direct impact on development feasibility by influencing the number, size and configuration of dwellings that can be delivered on a site. While individual requirements may be justified in isolation, the cumulative effect of planning controls can materially affect housing yields, design flexibility, assessment complexity and development costs.

HIA notes that planning frameworks have become significantly more prescriptive over time. For example, in relation to a typical apartment development in Brisbane:

- The applicable built form controls specified in the now superseded Brisbane City Plan 2000, Residential Design – Medium Density Code totalled 58 acceptable solutions.
- By comparison, the current Brisbane City Plan 2014, Multiple Dwelling Code contains 92 acceptable outcomes, representing a 59% increase in residential design provisions alone.

The increase in regulatory complexity extends well beyond the apartment design code itself. Apartment developments are now routinely assessed against a broader range of infrastructure, transport, stormwater, landscaping and overlay requirements than was the case under previous planning frameworks.

Across the secondary codes and overlays commonly applying to a typical apartment development, the number of assessment provisions has increased from **123 acceptable solutions** under *Brisbane City Plan 2000* to **290 acceptable outcomes** under the current planning scheme, representing an increase of approximately **136%**.

Superseded Code	City Plan 2000 (Acceptable Solutions)	Current Code	City Plan 2014 (Acceptable Outcomes)	Change in Applicable Provisions
Residential Design – Medium Density	58	Multiple Dwelling	92	+34
Stormwater Management	19	Stormwater	31	+12
Transport, Access, Parking & Servicing	20	Transport, Access, Parking & Servicing	36	+16
Filling & Excavation	21	Filling & Excavation	21	0
Services, Works & Infrastructure	5	Infrastructure Design	31	+26
N/A (New Code)	0	Landscape Works	35	+35
N/A (New Code)	0	Outdoor Lighting	2	+2
N/A (New Code)	0	Bicycle Network Overlay	14	+14
N/A (New Code)	0	Community Purposes Network Overlay	6	+6
N/A (New Code)	0	Road Hierarchy Overlay	15	+15
N/A (New Code)	0	Streetscape Hierarchy Overlay	7	+7
<u>TOTAL</u>	<u>123</u>		<u>290</u>	<u>+167 (+136%)</u>

Table 2: Comparison of Assessment Provisions for a Typical Apartment Development in Brisbane

Importantly, this comparison only includes the commonly applicable codes and overlays triggered by apartment development. It does not include neighbourhood plan requirements, environmental overlays, planning scheme policies, or supporting technical studies that often form part of the assessment process.

The practical consequence is that each provision must be reviewed, documented and addressed by planning, engineering, transport, landscape and other technical consultants before then being assessed again by the local government. This has increased the time, cost and complexity associated with preparing and assessing development applications.

Impact of design requirements on the commercial feasibility of new housing

The impact of design requirements on housing supply must be considered cumulatively. While individual design controls may be justified on planning grounds, development feasibility depends on how those controls operate together. In many cases, a project is not rendered unviable by a single requirement. Rather, one additional or misaligned provision can become the tipping point within an already constrained design envelope.

This issue is particularly evident on smaller infill sites used for townhouses, duplexes, terraces and other missing middle housing products. These developments are highly sensitive to planning requirements due to constrained site dimensions and often tighter commercial margins.

Previous HIA analysis (see Case Study 1, next page) has shown that progressive amendments to planning schemes can reduce development yield by up to 30% on properties suitable for townhouses.

Despite state and regional planning policies increasingly identifying that townhouses, duplexes, terraces and other "missing middle" housing forms are expected to accommodate future population growth, approvals for semi-detached housing have fallen significantly over the past decade.

Between 2013 and 2016, Brisbane regularly delivered in excess of 2,500 semi-detached dwellings per year. By 2025-26, annual approvals had fallen to approximately 705 dwellings despite strong population growth, worsening housing affordability and state policy objectives seeking greater housing diversity.

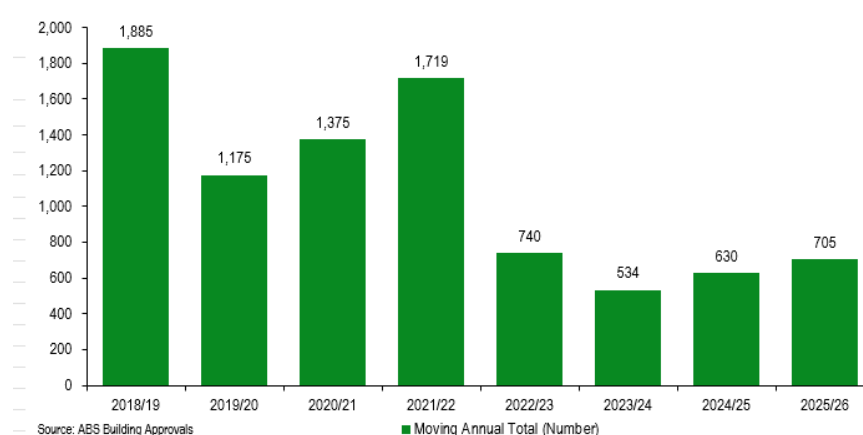


Figure 3: Building Approvals for Semi-Detached (Townhouses) in Brisbane

The timing of this decline broadly coincides with successive planning scheme amendments that increased parking, landscaping, deep planting (4m minimum dimensions) and built form requirements and restricted townhouse development opportunities in some residential areas.

This disconnect is particularly significant because state planning objectives and strategies increasingly assume that future housing needs will be met through greater housing diversity and medium-density development. If planning controls make these housing products commercially unviable, the result is fewer dwellings being delivered on serviced urban land.

Recommendations for Design Controls & Feasibility – Model Codes / Pattern Books

Given the complexity of current planning systems, where apartment and townhouse developments may need to address hundreds of assessment provisions, HIA supports model housing codes and pattern books that enable repeatable housing designs to be delivered more efficiently and consistently across Australia.

- 1. Model Codes / Pattern Books for Housing** – Develop standardised housing design codes and streamlined assessment pathways for compliant designs.

CASE STUDY 1 The Impact of Design Controls on Townhouse Feasibility in Brisbane

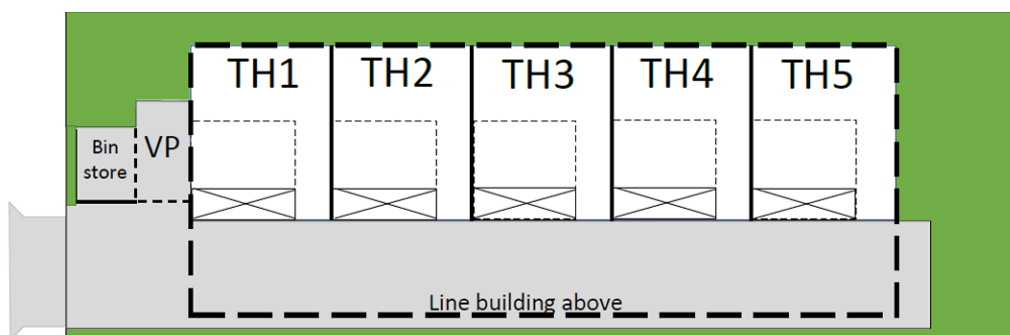
Overview: HIA undertook feasibility testing of a typical 800m² Low-Medium Density (LMR) zoned site (20m width by 40m depth) to analyse how successive planning scheme amendments impact development.

Key Amendments:

- Amendment Package J (29 November 2019) – increased resident and visitor car parking requirements for suburban multiple dwellings.
- Amendment Package H (1 May 2020) – removed provisions supporting townhouses in the Low Density Residential Zone.
- Amendment Package E (30 October 2020) – altered the Multiple Dwelling Code ensuring deep planting was calculated separately from private open space while still achieving minimum 4 metre dimensions.

Key Takeaways: The analysis found that cumulative changes to car parking, landscaping, deep planting, private open space in combination with large refuse storage requirements reduced the achievable yield by up to 30%. Many developers have since transitioned to delivering 1 into 2 lot subdivisions on these sites and building two luxury detached houses. Resulting in less affordable options and a decline in housing supply.

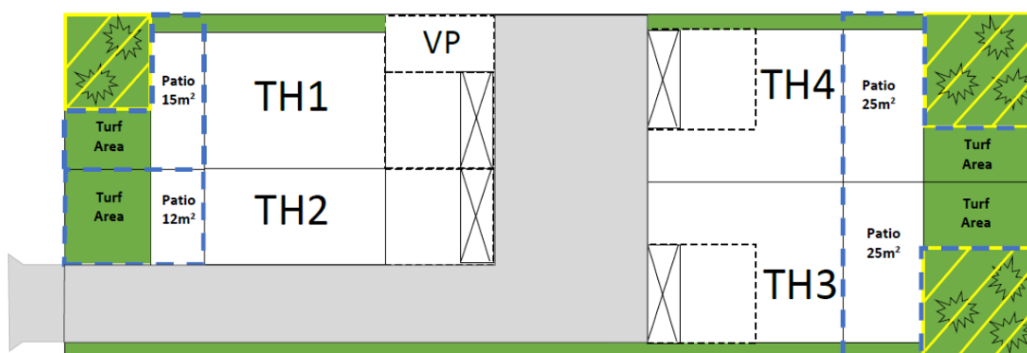
EARLIER DESIGN: Brisbane City Plan 2000



YIELD: 5 x 3-BEDROOM TOWNHOUSES



CURRENT DESIGN: Brisbane City Plan 2014



YIELD: 4 x 3-BEDROOM TOWNHOUSES

Productivity Commission Information Request

- *What impact would reducing the coverage of heritage overlays have on housing supply?*

Extent of restricted land still unclear

A significant proportion of land within established inner-city areas remains subject to heritage and character protections that can limit redevelopment opportunities. According to the YIMBY Melbourne - Australian Zoning Atlas ², the percentage of land within twenty kilometres of CBDs affected by heritage controls is estimated to be:

- Sydney: 13%
- Melbourne: 11%
- Adelaide: 9%
- Hobart: 4%
- Canberra: 2%
- Perth: 2%
- Brisbane: 1%

HIA notes that these figures may understate the practical extent of development constraints in some jurisdictions, where character-based controls operate separately to formal heritage overlays. For example, Brisbane applies the Traditional Building Character Overlay, which generally protects pre-1947 dwellings from demolition and affects large areas of established inner-city suburbs (see Figure 3 below).

Similarly, metropolitan Adelaide contains extensive areas subject to the Character Area Overlay, which requires development and rebuilding to respond to prescribed neighbourhood character outcomes and can significantly influence redevelopment potential. Character controls therefore often extend beyond formally listed heritage places and can affect a much larger proportion of established urban land.

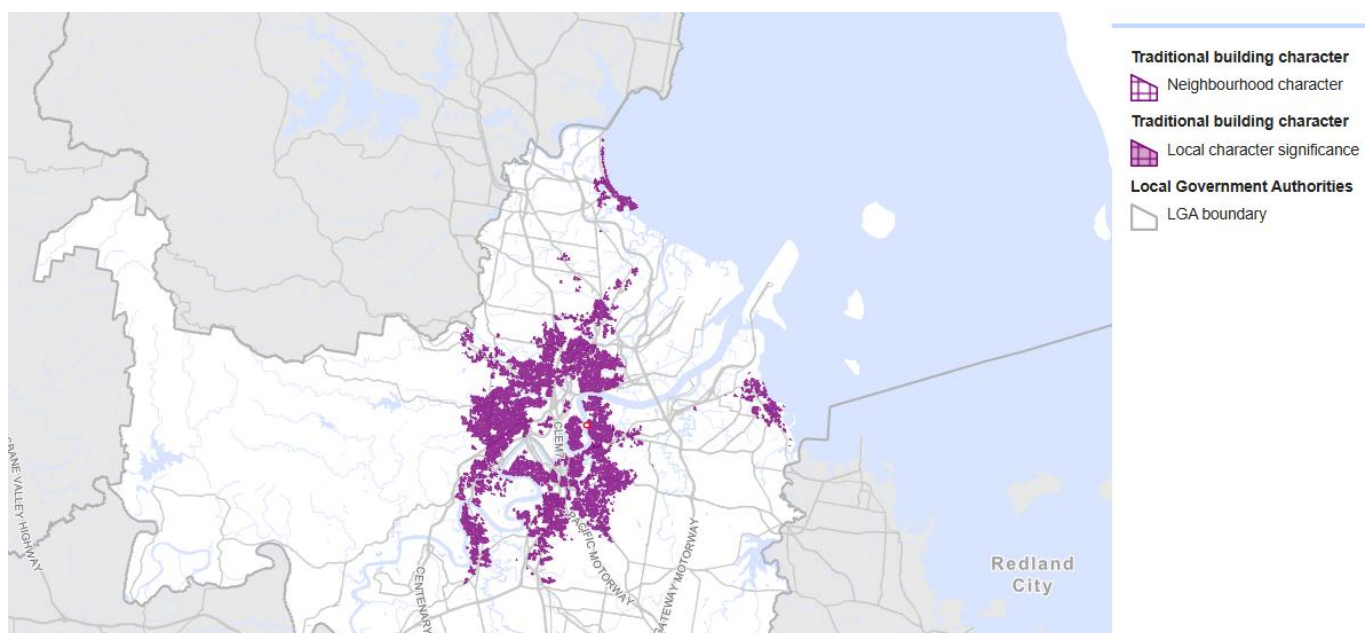


Figure 3: Extent of Traditional Building Character Overlay in Brisbane

² YIMBY Melbourne. (2025). *Zoning Atlas*. Retrieved from <https://zoningatlas.org.au/>

Failure to review character overlays creates unnecessary redevelopment barriers

HIA is concerned that broadly applied character and demolition controls are rarely reviewed to reflect changing neighbourhood character and redevelopment patterns. Once introduced, these controls often applied in perpetuity, even where substantial redevelopment has fundamentally altered the surrounding built form and streetscape.

As a result, individual properties can remain subject to demolition and redevelopment restrictions despite being located within areas that are now predominantly characterised by contemporary housing and no longer exhibit the character values the controls were originally intended to protect.

In HIA's view, the political sensitivity surrounding the loss of older housing stock often discourages regulators from reviewing, reducing or removing these controls, even where they no longer align with on-ground conditions.

CASE STUDY 2 Character controls / overlays are applied broadly and not updated

Overview: 34 Gordon Street, Hawthorne (Qld) is a common example of how character controls can remain in place despite substantial changes to the surrounding neighbourhood and previous planning approval confirming that demolition is suitable given the absence of traditional character.

Key Facts:

- By 2008, the traditional building character of this section of Gordon Street had been substantially altered, with the house at 34 Gordon Street, clearly adjoined by large contemporary styled dwellings.
- In 2016, Brisbane City Council refused an application to demolish the dwelling at 34 Gordon Street (Council Reference: A004322305). Demolition was subsequently approved through the court process given the agreed absence of traditional building character along this street.
- In 2026, approximately 10 years after the dwelling has now been demolished, 34 Gordon Street and the adjoining properties remain mapped within the Traditional Building Character Overlay. Consequently, any future dwelling design must still address character provisions that specify traditional pitched roof forms and timber-and-tin architectural outcomes, despite the surrounding contemporary buildings.

Key Takeaways: This example demonstrates how character overlays can remain in place long after the surrounding neighbourhood has substantially changed. Rather than periodically reviewing and updating overlay mapping to reflect current streetscape conditions, the burden is placed on individual homeowners and developers to spend significant time and resources navigating planning approvals and demonstrating compliance with character requirements that clearly should no longer apply.

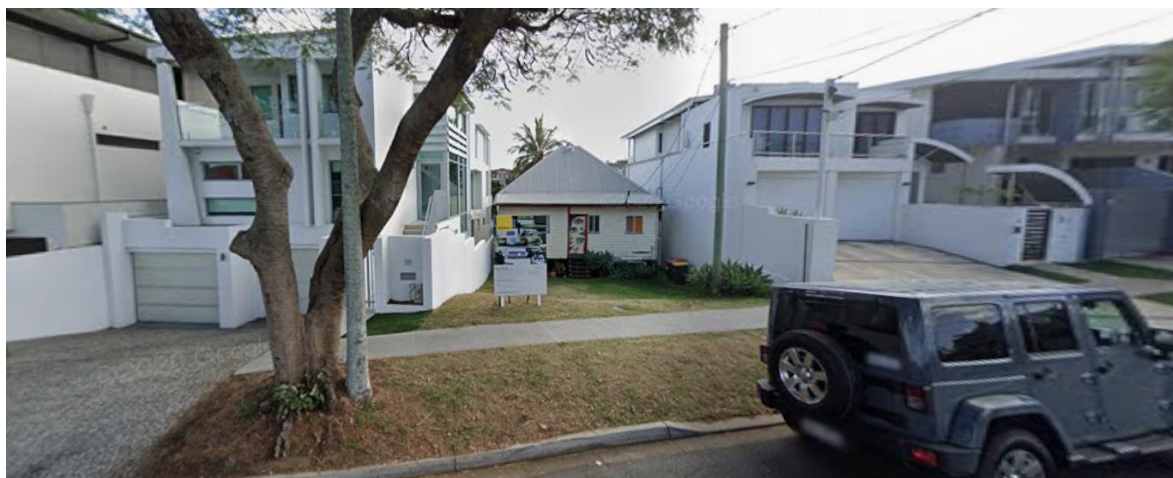


Figure 4: 34 Gordon St, Hawthorne – 2008 Imagery - Adjoined by Contemporary Houses



Outdated demolition controls constrain supply and increase construction costs

The impact of heritage and character controls extends beyond limiting the delivery of new housing. These controls can also significantly increase the cost of renovating, adapting and better utilising existing housing stock.

Where a traditional dwelling is retained, homeowners are often required to work within the constraints of an existing building that was designed to different construction, accessibility and lifestyle standards. In many cases, substantial works are required before any extension or reconfiguration can even commence.

For example, HIA members report that the cost of lifting and re-stumping a traditional character dwelling, constructing a new slab and reconnecting services can exceed \$150,000 before any additional floor area is constructed. These costs are incurred simply to establish a suitable platform for renovation and do not deliver any additional bedrooms, living space or housing capacity.

Renovation costs are also substantially higher than new construction:

- Renovations involving structural work: approximately \$3,800 to \$7,000+ per square metre.
- Project built new homes: approximately \$1,800 to \$2,900+ per square metre.
- Custom new homes: approximately \$2,500 to \$4,500+ per square metre.

Industry feedback consistently indicates that major structural renovations can cost substantially more than equivalent new construction, even before accounting for the additional complexities associated with retaining and modifying older buildings.

As a result, character controls can create a double housing supply impact. First, they may constrain opportunities to redevelop sites for additional housing. Second, they significantly increase the cost of improving and adapting existing homes. This can discourage homeowners from undertaking works that would otherwise improve housing utilisation, such as adding bedrooms, accommodating multi-generational living arrangements or reconfiguring dwellings to better suit changing household needs.

In HIA's view, planning frameworks should recognise that housing renewal is an important component of housing supply. While the protection of genuinely significant character buildings remains important, controls should not unnecessarily increase the cost of improving existing homes or prevent reasonable investment in established housing stock.

Recommendations for Heritage / Character Controls

HIA recommends:

- 2. Review the extent of broadly mapped demolition protections** – Require state and local governments to periodically review heritage and character overlays to ensure they remain aligned with current streetscape conditions, redevelopment patterns and housing supply objectives. This land should be identified within a transparent online system / portal.
- 3. Focus character controls on design outcomes rather than building retention** – Broadly applied character restrictions should permit demolition and replacement of existing dwellings where a new dwelling can demonstrate consistent with the desired character outcomes of the locality. This would enable regulators to maintain preferred neighbourhood character while reducing renovation costs, supporting housing renewal and improving housing supply outcomes in established urban areas.

Productivity Commission Information Requests

- *What land-use controls need to change to enable more alternative dwelling types to be built? What impact would such reforms have on housing supply?*

Restrictive zoning prevents new homes

As outlined in HIA's initial submission, the output of the housing industry is fundamentally determined by land use regulation. Planning systems dictate where housing can be delivered, the density of development, the ability to subdivide land and the feasibility of delivering diverse and affordable housing products.

Restrictive zoning and density controls continue to limit housing supply across Australia by preventing the efficient use of well-located urban land. Large areas of established suburbs remain subject to low-density zoning and other planning controls that prohibit apartments, townhouses and other medium-density housing forms despite their proximity to jobs, public transport and existing infrastructure.

The Grattan Institute found that:

- Approximately 80 per cent of residential land within 30 kilometres of the Sydney CBD and 87 per cent in Melbourne is restricted to housing of three storeys or less;
- More than three quarters of residential land in Perth and Adelaide is restricted to housing of two storeys or less; and
- Many inner and middle-ring suburbs with the highest access to jobs, transport and services continue to prohibit apartments, townhouses and medium density housing.³

The Queensland Productivity Commission reached similar conclusions in South-East Queensland, finding that only 10 per cent of Brisbane and 23 per cent of Gold Coast land is zoned for medium or higher-density development. The Commission estimated that targeted zoning reform in well-located areas could generate economic benefits of up to \$48 billion and facilitate up to 330,000 additional dwellings.

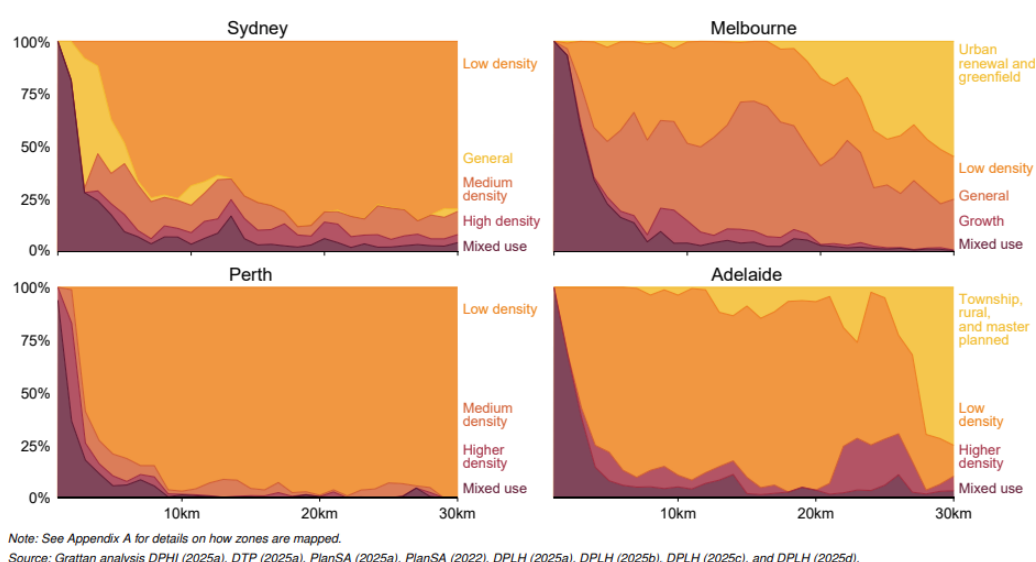


Figure 5: Extent of restrictive zoning in select capital cities

³ Grattan Institute, *More Homes, Better Cities: Letting More People Live Where They Want* (2025).



Productivity Commission Information Request

- *Are there other land-use controls which significantly impact supply?*

Commercially unviable apartment zoning limits housing supply

While in recent years, there has been increased government focus on land that is restricted to lower densities as a barrier to increasing housing supply, there is a parallel zoning issue that receives far less attention. Significant areas are zoned and strictly held for apartment development despite having limited historic demand, weak development economics or little evidence that apartment projects are likely to proceed.

For example, HIA has completed analysis in Logan City Council of land strictly zoned for apartments and also reviewed historical approval data. This analysis revealed that:

- Approximately 237.75 hectares of land is strictly restricted to apartment development through zoning and local plan requirements. This amount of land could be associated with over 10,000 apartments (assuming an apartment density of 45 dwellings per hectare);
- From 2008 to 2026 only 35% of apartment projects with planning approvals ultimately proceed to construction (882 dwellings);
- Concerningly, many developers looking to deliver commercially viable alternatives such as townhouses have been told this is not permitted due to the zoning and intend for higher density. Across 237.75 hectares of land this zoning practice is estimated to potentially hold back nearly 6,000 townhouses from delivery (assuming a density for townhouses of 25 dwellings per hectare);
- The rationale for maintaining extensive apartment-only development opportunities is unclear given the Queensland Government's SEQ Regional Plan anticipates that apartments will account for only around 2% of future dwelling growth in Logan over the next 25 years.

This example highlights a broader issue with housing capacity modelling. Land may contribute to housing supply targets on paper, but if planning controls require a housing product that is not commercially viable, that capacity is unlikely to translate into actual homes. In these circumstances, planning frameworks can substantially overstate future housing supply by relying on theoretical development capacity rather than realistic delivery outcomes.

Industry feedback suggests this issue occurs across Australia, significant areas of land surrounding major public transport corridors, activity centres and shopping precincts have been zoned primarily for apartment development despite limited evidence of sustained apartment demand or development feasibility.

Recommendations for Land-Use Controls

HIA recommends:

- 4. Incentivise greater housing choice through zoning reform** – similar to the National Housing Accord's *New Homes Bonus*, incentivise state and local governments to undertake upzoning reform and tie funding to an increase of infill dwelling completions including apartments, townhouses, terrace homes and duplexes.
- 5. Promote nationally consistent feasible housing capacity policies** – The Federal Government should work with states and territories to incorporate feasible and realisable housing capacity into strategic planning frameworks. Consistent with the principles adopted through the *Sydney Plan* as detailed in Case Study 3 (next page).

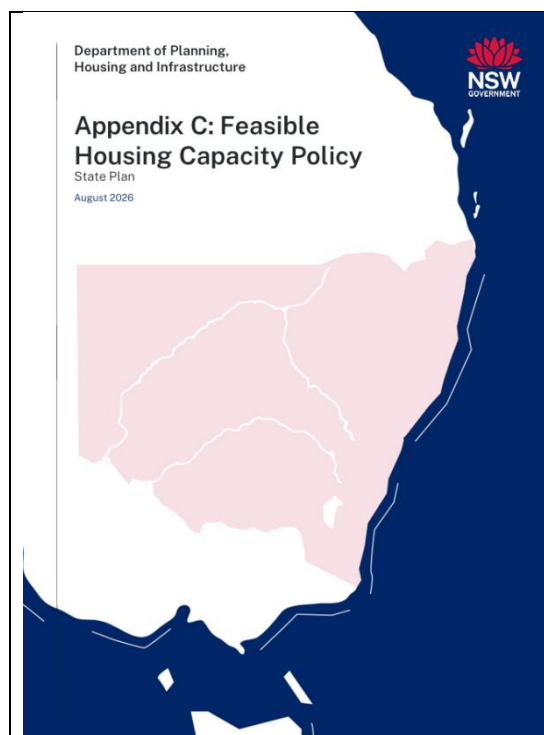


Figure 6: Feasible Housing Capacity Policy – NSW State Plan

CASE STUDY 3 Feasible housing capacity policy

Overview: The NSW Government's Feasible Housing Capacity Policy requires local governments to maintain a minimum of 30 years of feasible housing capacity and 5 years of realisable housing capacity.

Feasible housing capacity is the amount of housing that is commercially capable of being delivered over the long term, having regard to market demand, infrastructure availability, development feasibility, land values, construction costs, sales values and other delivery constraints.

Realisable housing capacity is the portion of that supply that is expected to be delivered over the short term under prevailing market conditions. The policy recognises that theoretical zoning capacity does not necessarily translate into housing delivery and requires capacity to be continually replenished as it is taken up by the market

Key takeaways: HIA supports a nationally consistent approach whereby strategic planning is based on feasible housing capacity that is capable of being delivered by the market, rather than relying solely on theoretical zoning assumptions. This is consistent with the Queensland Productivity Commission's conclusions that:

"The supply of development rights needs to reflect market realities if they are to be exercised."

Productivity Commission Information Request

- *Is there a need for further reforms to enable a greater supply of small secondary dwellings such as granny flats?*

Improving data on secondary dwellings

Secondary dwellings from a construction perspective represent one of the fastest and least infrastructure-intensive ways to increase housing supply. However, unlike detached housing, townhouses and apartments, there is limited publicly available data on approval outcomes, assessment timeframes and housing delivery associated with secondary dwellings.

This has become increasingly problematic as regulators frequently request additional evidence from industry regarding approval barriers and the contribution secondary dwellings can make to housing supply. In response, HIA undertook member research in 2022 which found:

- Investment in granny flats increased significantly following the COVID-19 pandemic.
- Planning reforms permitting occupation by unrelated households encouraged greater investment in secondary dwellings.
- Industry reported a 300% increase in demand for granny flats between 2022 and 2024.



Despite this growth, there remains limited government reporting on secondary dwelling approvals, refusal rates, assessment timeframes and completed dwelling outcomes. NSW remains an exception due to their planning portal and publicly accessible Council League Table. Improved data collection would assist governments in identifying barriers to delivery and understanding the contribution secondary dwellings make to housing supply.

Secondary dwellings remain subject to significant approval barriers

Despite the well-documented benefits of secondary dwellings and the growing adoption of modern methods of construction, industry experience suggests that these modest forms of housing are frequently subject to approval barriers that are disproportionate to their scale, complexity and risk.

Data published through the NSW Planning Portal Council League Tables indicates that average assessment timeframes for secondary dwellings have ranged between 88 and 127 days over the past three years⁴. a typical secondary dwelling constructed using conventional on-site construction methods can generally be completed within 14 to 17 weeks. ***When it takes longer to obtain planning approval for a small dwelling than it does to physically build it***, there is a clear indication that the approval pathway has become unnecessarily complex.

Industry feedback indicates that approval barriers for secondary dwellings are remarkably consistent across many jurisdictions. Common issues include:

- **Assessment pathways more onerous than the primary dwelling** – Secondary dwellings are often subjected to planning and referral processes that are significantly more complex than those that applied to the original dwelling on the site.
- **Land-use definition disputes** – Ongoing disagreements regarding whether a proposal constitutes a secondary dwelling, dual occupancy or multiple dwelling, particularly where rental to unrelated occupants is proposed.
- **Outdated planning definitions** – Requirements that secondary dwellings remain "subordinate to", "used in conjunction with" or "appurtenant to" the primary dwelling have become increasingly difficult to interpret and administer since many jurisdictions removed occupancy restrictions now allowing rental to unrelated households.
- **Environmental and vegetation overlays** – Secondary dwellings are frequently required to obtain specialist reports and approvals that rarely result in a material change to the proposed development outcome.
- **Infrastructure charges** – Some regulators continue to apply infrastructure charges to secondary dwellings despite their limited infrastructure impacts and the fact they often result in occupancy levels comparable to a typical family household.
- **Gross floor area restrictions** – Restrictive caps on maximum floor area can make it difficult to accommodate larger families or incorporate accessibility features required by the National Construction Code.

⁴ NSW Department of Planning, Housing and Infrastructure. (2026). *Council league table*. NSW Government. <https://www.planning.nsw.gov.au/the-planning-system/housing/faster-assessments-program/council-league-table>

- **Inconsistent controls between jurisdictions** – Variations in minimum lot sizes, frontage requirements, setbacks, separation distances and building envelope controls create unnecessary complexity and cost. These differences prevent builders from developing repeatable housing solutions at scale and often operate as de facto barriers to secondary dwelling development despite the use being supported in principle.
- **Shared servicing requirement** – Additional complexity often arises where properties rely on septic systems or on-site wastewater treatment, including requirements from some councils to connect new dwellings to existing septic systems which is often not viable.
- **Different interpretations between regulators** – Planning provisions are often interpreted differently between local governments, assessment officers, referral agencies and private certifiers.
- **Legislative and legal grey areas** – In some jurisdictions, ongoing uncertainty remains around fencing, separate access arrangements, tenancy arrangements and circumstances where a secondary dwelling may be considered another land use.

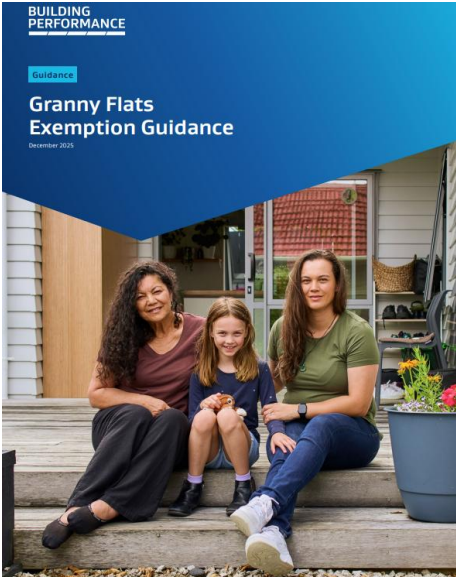


Figure 7: NZ granny flat guidance

CASE STUDY 4 NZ's Granny Flats Exemption

Overview: New Zealand commenced nationally consistent reforms in 2026 enabling new standalone secondary dwellings ("granny flats") of up to 70m² to be built without requiring a building consent, provided standardised national design, siting and construction conditions are met and licensed building professionals are used.⁵

Councils retain a limited oversight role through a simplified Project Information Memorandum (PIM) process rather than undertaking full planning and building assessment.

Key takeaways: The reforms commenced nationally on 15 January 2026, meaning detailed uptake data is not yet available. However, the New Zealand Government estimated the reforms would reduce approval and consenting timeframes by up to 14 weeks and save homeowners approximately \$5,650 in direct approval costs for eligible granny flat developments.⁶

Recommendations for Secondary Dwellings
HIA recommends: 6. Nation-wide criteria and exemptions - Similar to the NZ Government, the Australian Government should work with other levels of government to introduce planning exemptions for Secondary Dwellings where prescribed design, siting and compliance criteria are met.

⁵ Ministry of Business, Innovation and Employment. (2025). *Granny flats exemption guidance*. New Zealand Government.

⁶ Ministry of Business, Innovation and Employment. (2026). *Ready, steady, go for granny flats*. New Zealand Government. <https://www.mbie.govt.nz/about/news/ready-steady-go-for-granny-flats>



Productivity Commission Information Request

- *Can you provide information, data, or analysis on the extent to which dense housing typologies differ in commercial feasibility (for example, comparisons between apartment and townhouse developments)?*

Construction costs and required sales prices for different typologies

While direct construction costs are often cited in discussions about housing affordability, these figures only represent the cost of physically constructing the building. To deliver a completed dwelling to market, developers must also fund land acquisition, civil works, infrastructure charges, utility connections, planning and approval costs, consultant fees, finance costs, taxes, marketing expenses and an appropriate development margin required to secure project finance.

Based on current industry estimates, direct construction costs typically range from:

- Detached homes (Class 1a): \$1,900 to \$3,000+ per square metre;
- Townhouses (Class 1a): \$2,600 to \$4,500+ per square metre; and
- Apartments (Class 2): \$4,900 to \$5,500+ per square metre.

However, the retail prices ultimately required to support project feasibility are substantially higher. As a broad guide:

- Detached housing commonly requires retail sales values of approximately \$3,000 to \$5,000 per square metre depending on land costs and location;
- Townhouse developments often require sales values in the order of \$5,200 to \$11,000 per square metre; and
- Apartment projects increasingly require sales values exceeding \$12,000 to \$18,000 per square metre to achieve financeable development margins.

This highlights that construction costs alone do not determine housing affordability. Government taxes, infrastructure charges, regulatory compliance costs, land values, financing expenses and approval delays can collectively account for a significant proportion of the final price paid by home buyers and renters.

Urbis Apartment Essentials Report noted that the national average selling price for off-the-plan apartments reached approximately \$16,400 per square metre in the June quarter 2025⁷. This reinforces industry concerns that, under current cost and regulatory settings, apartment development is increasingly concentrated in premium market segments. Importantly, only a limited number of locations can support these sales values, challenging the common planning assumption that higher-density housing can be broadly delivered around public transport nodes, activity centres and shopping precincts.

Recommendations for Commercial Feasibility of Different Types of Housing

HIA recommends:

- 7. Support best-practice feasibility assessment in strategic planning** – The Federal Government should develop, in consultation with states and territories, a nationally consistent framework for assessing development feasibility within strategic planning processes.

While market conditions and project feasibility will vary over time, housing strategies and growth assumptions should be supported by evidence of likely delivery outcomes rather than relying on the expectation that currently unviable locations will become feasible at some future point.

⁷ Urbis. (2025). *Apartment essentials: National snapshot, second quarter 2025*. Urbis.

Information Request 2.2 – Land Supply and Barriers

Productivity Commission Information Request

- *Can you provide information, data or analysis on the degree to which available land is a barrier to new housing supply?*

Land supply is the key barrier to new housing supply

HIA members consistently identify the availability of development-ready land as one of the most significant barriers to increasing housing supply and improving housing affordability. Industry feedback suggests shortages of appropriately zoned, serviced and infrastructure-ready land are both constraining the delivery of new homes and driving escalating land prices.

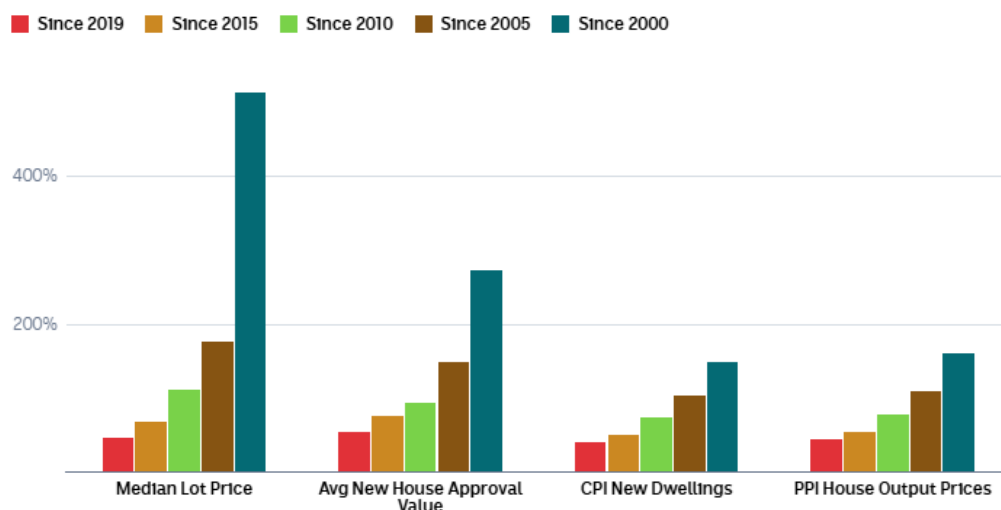
Builder members consistently report that consumer demand for residential land exceeds available supply in many markets. New land releases by major developers are often substantially pre-committed before release, with available lots quickly allocated to existing databases of prospective purchasers.

For many consumers, purchasing a new home is not a matter of selecting from an abundance of available land, but rather joining a queue for future supply. It is not uncommon for prospective homebuyers to wait 12 to 18 months before securing a lot capable of supporting a housing commencement. Such conditions indicate a persistent shortage of development-ready land available to meet housing demand.

Escalating land prices indicate land supply constraints

The strongest evidence of land supply constraints is the sustained escalation in land prices relative to other housing costs.

HIA notes that residential land prices have increased by **more than 500% since 2000**, compared with approximately 150% in construction costs over the same period.



Source: ABS, Cotality, HIA

Figure 7: Housing cost escalation since 2000

The fact that residential land prices have increased at more than three times the rate of construction costs demonstrates the increasingly important role that land plays in housing affordability outcomes. Industry participants consistently report that escalating land values are a key driver of new home prices, reflecting persistent constraints in the supply of development-ready land across many markets.

Recent market data continues to point to land supply constraints:

- The national median residential lot price reached a record \$397,840 in the December 2025 quarter.
- National median lot prices increased 9.4% over the year.
- Residential lot sales remained subdued despite ongoing housing demand.
- Approximately 42,590 lots were sold nationally in 2024, representing the lowest annual result since 2000⁸.

While allotment sales volumes have slightly rebounded from these lows in more recent quarters, industry analysis indicates that greenfield land releases remain approximately 20% below long-term averages, suggesting that development-ready land supply continues to lag underlying housing demand.⁹

The combination of rising land prices and relatively low sales volumes is indicative of shortages of development-ready land rather than an abundance of available supply.

Greenfield land remains critical to meeting housing target

Developer members similarly identify a shortage of appropriately zoned and serviced land capable of being brought to market within reasonable timeframes. While substantial quantities of land may be identified in strategic plans or future growth areas, bringing this land to market often requires:

- Rezoning and planning approvals.
- Precinct planning and subdivision approvals.
- Environmental assessments and approvals.
- Infrastructure planning and delivery.
- Financial / lending approvals.
- Trunk servicing and utility connections.
- Post approval processes with regulators prior to new title registration.

As a result, there can be a substantial gap between land identified for future housing and land capable of supporting housing delivery in practice.

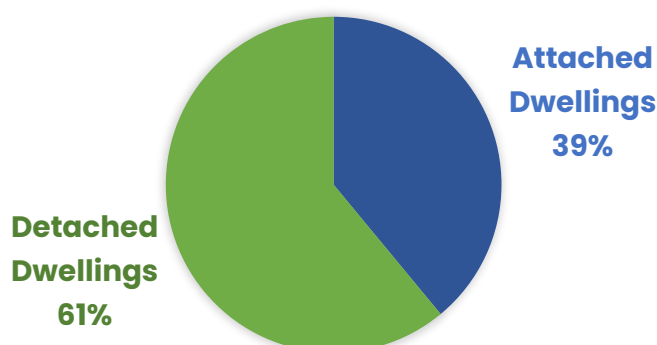


Figure 8: Residential building approval by type, Australia – FY2023-24 to FY 2025-26

⁸ Housing Industry Association. (2026). *HIA-Cotality Residential Land Report: June 2026*.

⁹ Urban Development Institute of Australia. (2025). *State of the Land 2025*.



While increasing housing diversity and infill development is important, detached housing continues to comprise the majority of new housing delivered in Australia. According to Australian Bureau of Statistics Building Approvals data, detached houses accounted for approximately 61% of all dwelling approvals nationally over the last three financial years¹⁰. This is consistent with the long-term pattern of housing delivery in Australia.

This reinforces the continuing importance of greenfield development to achieving housing supply targets. It is particularly relevant given strong population growth across outer metropolitan, regional and rural communities, where detached housing remains the housing form most sought by consumers and, in many markets, the most commercially feasible product to deliver. While higher-density housing will play an important role in meeting future demand, Australia's housing supply challenge cannot be addressed without an adequate pipeline of suitably zoned, serviced and developable greenfield land.

There are a multitude of factors currently impeding the supply of new shovel-ready land across Australia. As a result, improving housing supply requires coordinated reform across the entire land development process, from strategic planning through to title registration. HIA has identified a number of practical reform opportunities in **Section 2** of this submission, which should be adopted as additional reform directions to support the delivery of housing at the scale required to meet future demand.

Productivity Commission Information Request

- *Would it be helpful for governments to report a land measure which distinguishes land that is zoned residential, from land that is serviced, approved, infrastructure-ready and commercially feasible to develop?*

You Can't Manage What You Don't Measure

States and territories have recently reported estimates of potential greenfield land supply through the National Housing Accord reporting framework. While this represents a positive step towards improving transparency, the reported figures highlight significant limitations in Australia's current understanding of future housing land supply.

Jurisdictions reported the following potential greenfield land capacity under the National Housing Accord reporting framework:

- New South Wales: approximately 197,171 lots.
- Victoria: approximately 211,000 lots.
- Queensland: not submitted.
- South Australia: approximately 192,490 lots.
- Western Australia: approximately 118,900 lots.
- Tasmania: approximately 25,525 lots.
- Northern Territory: approximately 13,580 lots.
- ACT: approximately 35,260 lots.

Not all jurisdictions were able to provide comparable estimates and those that did often relied on different methodologies, geographic coverage, assumptions and definitions. In several cases, the reported figures

¹⁰ Australian Bureau of Statistics. (2026). *Building Approvals, Australia* (Cat. No. 8731.0). ABS. <https://www.abs.gov.au/statistics/industry/building-and-construction/building-approvals-australia>



represented broad estimates of land identified for future residential purposes rather than land that is capable of delivering housing in the near term.

The jurisdictional commentary accompanying the data demonstrates the challenges associated with interpreting the reported figures. For example:

- Some jurisdictions reported zoned land, while others included future growth areas that may require further planning, rezoning or infrastructure investment before development can occur.
- Some estimates were limited to specific geographic areas rather than the entire jurisdiction.
- Several jurisdictions noted that future lot yields are inherently uncertain and subject to change.
- In some cases, land area was reported as a proxy for housing capacity because dwelling or lot yields could not be reliably estimated.
- Definitions of greenfield land and development capacity varied between jurisdictions.

The reported estimates provide limited visibility regarding:

- Whether land is unconstrained by environmental or biodiversity requirements.
- Whether environmental constraints and approvals under the *Environment Protection and Biodiversity Conservation Act 1999* materially reduce the proportion of land that can accommodate housing development or preclude development altogether.
- Whether major infrastructure investments are required before development can proceed.
- The proportion of land already progressing through the development pipeline.
- The timeframe within which housing delivery could realistically occur.
- Whether projects are commercially feasible under prevailing market conditions.

The limitations of the current reporting framework reinforce the need for more consistent national monitoring of future land supply. Governments cannot effectively manage housing supply if they do not have visibility over the volume of land that is not only identified for future housing, but is also zoned, serviced, approved, infrastructure-ready and commercially feasible to develop.

Recommendations government reporting on land

HIA recommends:

- 8. Establish a national housing and planning dashboard** – publicly track housing capacity through zoning, land supply and planning approvals, housing commencements, urban growth boundaries and infrastructure planning across all jurisdictions.

Improved and transparent data would support more effective land use planning. However, significant limitations remain in the data currently used to inform planning decisions including:

- Limited visibility and consistency in dwelling completion data across local governments.
- ABS building approval data not accounting for demolitions and misinterpreted to overstate net housing supply;
- Incomplete tracking of specific housing types such as secondary dwellings; and
- Underestimation of population growth forecasts from Treasury which are inputs into other levels of government for planning and infrastructure decisions.

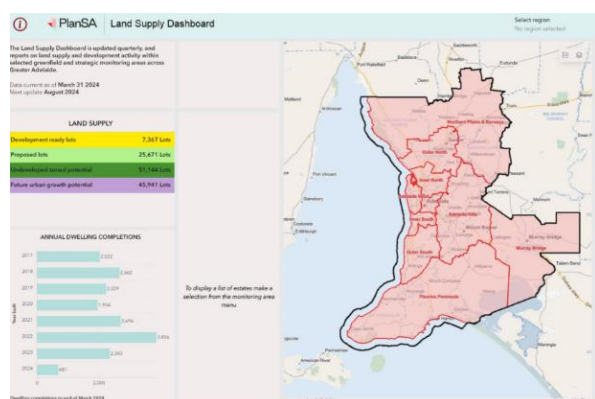


Figure 9: SA Land Supply Dashboard

CASE STUDY 5 Land Supply Dashboard (SA)

Overview: The South Australian Government maintains a publicly accessible Land Supply Dashboard that provides regular reporting on residential land availability, development activity and rezoning outcomes across Greater Adelaide. The dashboard was established to make land supply data more timely, transparent and accessible for government, industry and the community. It supports ongoing monitoring of land supply down to an individual housing estate level and assists government in identifying when additional land release or rezoning activity may be required to support housing delivery.

Key takeaway: South Australia's Land Supply Dashboard represents a leading practice approach to land supply monitoring and reporting. The framework provides government, industry and the community with transparent and timely information on residential land supply, development activity and rezoning outcomes. Adoption of similar reporting frameworks across all states and territories would significantly improve visibility over Australia's future housing pipeline, support evidence-based decision-making and assist governments to identify and address land supply bottlenecks before they constrain housing delivery.

Productivity Commission Information Request

- *Can you provide examples of released land that has not been able to be developed for housing, and explain the barriers to development in these cases?*

The following case studies demonstrate that housing delivery challenges are not confined to rezoning or land release. In each example, land had already been identified for urban development, approvals had been granted, or substantial infrastructure investment had occurred.

Despite this, housing delivery has been delayed or constrained by evolving environmental requirements, overlapping regulatory approvals, changing planning controls, and uncertainty regarding the application of new policy settings.

The case studies in this submission demonstrate that housing delivery is often delayed by issues that emerge after key planning and investment decisions have already been made. The Productivity Commission should identify leading practices across jurisdictions to improve early coordination of planning, environmental, infrastructure, cultural heritage and natural hazard assessments, reduce duplication between approval systems, and provide greater certainty that land identified for housing can be efficiently converted into completed homes.

Example 1: Lee Point Defence Housing Project - Darwin, Northern Territory

Project Overview and Progress

The Lee Point (Binybara) project in Darwin comprises an initial stage of approximately 96 residential lots within a broader master-planned community intended to deliver around 800 homes. The project has held relevant development and environmental approvals since 2018-19 and has long been identified as a significant source of future housing supply for Darwin.



The Lee Point DHA master plan shows at least 211 homes will be built for defence personnel. Image: DHA.

Figure 10: Lee Point, Darwin – Defence Housing Project – Master Plan

Explanation of Barriers

Despite holding approvals for several years, housing delivery has experienced substantial delays arising from a series of evolving environmental, cultural heritage, legal and planning issues:

- **2022** – Concerns were raised regarding the presence of the endangered under the EPBC Act Gouldian Finch within the development area, prompting additional Commonwealth review and survey activities¹¹.
- **2023** – An Aboriginal cultural heritage protection application was lodged under the *Aboriginal and Torres Strait Islander Heritage Protection Act 1984*, resulting in additional assessment processes and a voluntary pause to development activity while the application was considered¹².

¹¹ Rendall, J. (2022, September 24). *Endangered Gouldian finch returns to Lee Point, prompting campaign to stop Defence Housing Australia development*. ABC News.

¹² Fitzgerald, R. (2024, March 28). *Environment Minister Tanya Plibersek rejects Aboriginal cultural heritage application at Lee Point*. ABC News.

- **2024** – The Commonwealth Environment Minister ultimately rejected the Aboriginal cultural heritage protection application¹³.
- **2025** – Following the results of additional environmental surveys and reporting, protection concerns shifted towards impacts on the endangered Black-footed Tree-rat, resulting in additional environmental assessment, management and offsetting requirements.¹⁴
- **2025-2026** – Defence Housing Australia proposed securing approximately 39 hectares of Crown land to satisfy environmental offsetting requirements associated with the Black-footed Tree-rat habitat protection.
- **2026** – Competing claims emerged over Crown land parcels associated with or adjoining the proposed offset area, with Traditional Owners representatives seeking alternative conservation and cultural outcomes for the land.¹⁵
- **2026 (continued)** – Recent calls have emerged for a moratorium on the development and preparation of a new area plan for Lee Point.



Figure 11: Gouldian Finch (initial concern) and Black-footed Tree-rat (later concern)

Key Takeaways

The Lee Point project demonstrates how housing developments can be exposed to a succession of environmental, cultural heritage, planning and land use issues long after initial approvals have been obtained (8 years since initial development approval and around 4 years since Stage 1 completion).

The cumulative effect of these processes can create significant uncertainty regarding project timing, costs and delivery outcomes. If even a government-led housing project with established approvals is unable to proceed with confidence, it is difficult to expect private sector proponents, who carry significantly greater commercial risk, to commit capital to future housing projects. Such uncertainty inevitably weakens investment signals and constrains housing supply.

¹³ Fitzgerald, R. (2024, March 28). *Environment Minister Tanya Plibersek rejects Aboriginal cultural heritage application at Lee Point*. ABC News.

¹⁴ Smith, C., & McLean, T. (2026, February 25). *Defence Housing said work at vexed Lee Point project to resume this year*. NT News.

¹⁵ Averill, Z. (2026, July 7). *Larrakia Traditional Owners make rival bids for crown land surrounding Lee Point following Defence Housing Australia environmental offset plan*. NT News.

Example 2: Coomera Quarter - Gold Coast. Queensland

Project Overview and Progress

Coomera Quarter is a 161-hectare residential development located within one of South-East Queensland's fastest-growing corridors. The project is intended to deliver approximately 4,000 dwellings accommodating up to 10,000 residents and forms part of the broader Coomera growth area identified for long-term residential development.

The project has a lengthy planning history. The original development application was lodged in December 2004, with development approvals granted in July 2009 following extensive planning investigations and alignment with the Coomera Town Centre Structure Plan. Subsequent approval extensions were granted in 2013, recognising the long-term nature of development delivery.



Figure 12: Original Coomera Quarter – Master Plan

Explanation of Barriers

Despite the site being identified for urban development for many years and progressing through extensive planning and environmental assessment processes, housing delivery has continued to face evolving environmental approval requirements:

- **2004** – Original development application lodged for residential development within the Coomera Town Centre growth area.
- **2006-2009** – Extensive strategic planning undertaken through the Coomera Town Centre Structure Plan process to identify the area for future residential and urban development.
- **2009** – The Queensland Government identified the site as an Urban Koala Area under the *Nature Conservation (Koala) Conservation Plan 2006*, resulting in approval conditions requiring koala habitat assessment, staged vegetation clearing, koala monitoring, relocation programs, fauna management plans and monetary contributions towards the East Coomera Koala Conservation Project.¹⁶

¹⁶ Gold Coast City Council. (2009, 20 July). *Preliminary approval for material change of use to override the Gold Coast Planning Scheme for residential development (PN262841/123/DA3)*. Gold Coast City Council.

- **2013** – Approval periods were extended by Gold Coast City Council, recognising the long-term delivery timeframe associated with the development.¹⁷
- **2013-2024** – The project continued to navigate environmental approval requirements despite already being subject to extensive koala management, offset and monitoring obligations imposed through state and local government approval processes.
- **2024** – Public reporting indicated the development remained subject to Commonwealth environmental assessment requirements under the *Environment Protection and Biodiversity Conservation Act 1999* (EPBC Act) relating to koala habitat and associated environmental impacts.¹⁸

Key Takeaways

The Coomera Quarter project demonstrates how environmental matters can be assessed multiple times under different regulatory frameworks over the life of a project. In this case, koala habitat management requirements, monitoring programs, relocation measures and conservation contributions were incorporated into approval conditions from at least 2009. Despite this, additional assessment requirements continued through separate approval pathways many years later.

Twenty years after the original development application was lodged, and fifteen years after development approvals were granted, the project remained subject to further environmental assessment relating to matters that had already been comprehensively addressed through earlier approval processes. The project highlights how duplication between Commonwealth, state and local environmental frameworks can create uncertainty, extend project timeframes and increase development costs. A best-practice regulatory framework would better align environmental assessment processes across jurisdictions while maintaining environmental outcomes.

Example 3: Riverton Estate - Logan, Queensland

Project Overview and Progress

Riverton Estate is a master-planned residential community located in Jimboomba within the Logan local government area. The project was approved through a Preliminary Approval issued by the Planning and Environment Court in 2016 and is intended to deliver approximately 1,000 residential lots over multiple stages.



Figure 13: Riverton Estate – Entry Signage

¹⁷ Gold Coast City Council. (2013, 4 October). *Request to change an existing approval: Extension to relevant period and permissible change request application (MCU201300553)*. Gold Coast City Council.

¹⁸ Potts, A. (2024, 25 June). *Bob Ell: Billionaire Leda Group boss claims small koala population and federal government for stalling Coomera development*. *Gold Coast Bulletin*.



Explanation of Barriers

Despite having an approved master plan and earlier staged constructed, later operational works application became subject to a revised flood code:

- **2016-2022** – Earlier stages of the estate progressed, including residential lot delivery, infrastructure construction and approved flood mitigation works.
- **October 2023** – Logan City Council adopted Temporary Local Planning Instrument (TLPI) No. 1/2023, replacing existing flood planning provisions with a new risk-based flood mapping and assessment framework which factored in anticipated impacts of climate change and also required residential development to demonstrate flood-free vehicle access to locations containing essential goods and services.¹⁹
- **2023** – Council assessment documents noted that future stages of the Riverton Estate could not proceed until additional flood investigations and modelling had been completed and the extent of flood-immune land had been determined.²⁰
- **2024** – Community concerns regarding the use of rare and extreme flood events in planning decisions resulted in Logan City Council commissioning an independent review of the Logan and Albert Rivers Flood Study.²¹
- **2024** – HIA was advised that the original developer, AV Jennings, had contemplated introducing a commercial component into the broader master-planned community to assist in meeting the new flood requirement for access to essential goods, despite this not materially changing the flood risk faced by future residents.
- **May 2026** – The results of the independent flood review concluded that the adopted flood levels may have been overstated in some locations and utilising the Probable Maximum Flood (a long-term extreme risk flood event) for statutory land-planning purposes was not appropriate.²²
- **June 2026** – Following the review, Logan City Council resolved to seek Queensland Government support to amend the treatment of rare and extreme flood events in planning controls. While Council subsequently endorsed a revised approach to flood mapping, the proposed reforms remain subject to State Government consideration and approval.²³

Key Takeaways

The Riverton Estate project demonstrates how major housing projects can become subject to materially different planning requirements during delivery, despite having an approved master plan and already delivering housing and supporting infrastructure. In this case, new flood planning controls were introduced after significant investment had occurred, requiring reassessment of future stages and creating uncertainty regarding development outcomes.

The subsequent independent review, which found opportunities to adopt a more practical approach to the treatment of rare and extreme flood events, highlights the risks associated with introducing major regulatory changes before their practical implications are fully understood.

¹⁹ Logan City Council. (2023, May 19). *Delegated assessment report COM/94/2022: Riverton Estate, Jimboomba*. Logan City Council.

²⁰ Logan City Council. (2023). *Temporary Local Planning Instrument No. 1/2023: Risk-based flood mapping and policy for the City of Logan*. Logan City Council

²¹ Logan City Council. (2026). *Independent review of the Logan and Albert Rivers Flood Study*. Logan City Council.

²² Logan City Council. (2026, June 4). *Council endorses evidence-based improvements to flood mapping*. Logan City Council. <https://www.logan.qld.gov.au>



Recommendations for improving housing delivery

HIA recommends:

- 9. Adopting a ‘Truth in Zoning’ approach to housing policy** – Governments should work towards ensuring major development constraints are identified, coordinated and resolved across all relevant planning, environmental, infrastructure, cultural heritage and other legislative frameworks before land is released, zoned or approved for housing.

The case studies in this submission demonstrate that housing delivery is often delayed by environmental, heritage, natural hazard, infrastructure and other development constraints emerging after key planning and investment decisions have already been made

Information Request 2.3 – Regulatory Barriers and Impact of Reforms

Productivity Commission Information Request

- *What reforms to land-use controls are likely to boost housing supply in each jurisdiction? What are the expected impacts of reforms on zoned capacity, commercially feasible capacity and/or other measures of supply? What are the expected impacts on positive and negative externalities?*

We are particularly interested in quantitative evidence on reforms to minimum lot size and reducing coverage of broad heritage controls.

Research on reforms to minimum lot size

Recent Australian research examining minimum lot size reform in the City of Campbelltown, Adelaide, provides compelling evidence that minimum lot size requirements can act as a binding constraint on housing supply²⁴. In 2014, the council reduced minimum lot sizes from 350 square metres to as low as 150 square metres for townhouses and row dwellings in selected locations before partially reversing the reform in 2019.

The study found:

- Total building approvals increased by approximately 67 per cent following the reform.
- The increase was driven entirely by townhouses and row housing, with no material increase in detached housing approvals
- The reform increased the local housing stock by an estimated 6 per cent.
- Following the partial reversal of the policy, the supply effects largely disappeared, providing strong evidence that minimum lot size controls were the binding constraint.
- The increase in housing supply was delivered by existing builders already operating in the market, with no evidence that construction activity was diverted from neighbouring areas.

Importantly, the study also found limited evidence of the adverse outcomes commonly cited in opposition to minimum lot size reform. Despite community concerns regarding congestion, neighbourhood character,

²⁴ Behrens, D., Gibbons, T., & Maltman, M. (2026). *What local land use reform does, and doesn't, do* (e61 Working Paper No. 3). e61 Institute & Centre for International Economics.



crime and amenity impacts, the researchers found little measurable deterioration across a range of outcomes including reported crime, vegetation cover, land surface temperature, school outcomes and traffic volumes.

The Campbelltown case study suggests that reducing minimum lot size requirements can have a direct and immediate impact on:

- Zoned capacity by increasing the number of dwellings that can be accommodated within existing residential land.
- Commercially feasible capacity by allowing developers to create smaller lot products that better align with market demand and improve project feasibility.
- Net housing supply by facilitating redevelopment of existing large residential allotments into multiple dwellings.

Research on impacts of broad demolition controls

Recent Australian research examining Brisbane's Character Residential zones found that traditional building character / demolition controls can significantly constrain housing diversity and redevelopment opportunities, even in locations where broader planning policy encourages urban consolidation and increased residential density.

Gallagher, Sigler and Liu (2024)²⁵ examined almost 6,000 residential lots over a 70-year period and concluded that preservationist planning restrictions suppress multi-family housing construction and operate in a manner consistent with exclusionary zoning.

The study found:

- The majority of new multi-family housing was delivered in areas where demolition and redevelopment of older housing stock was permitted.
- Character controls largely preserved low-density residential outcomes despite broader planning policy supporting additional housing supply.
- Only 14.5 per cent of lots within Character Residential zones that allowed additional dwellings actually delivered multiple housing outcomes.
- Many pre-war dwellings were retained despite being located in areas where redevelopment was permissible, suggesting that broad demolition controls may not be necessary to achieve heritage outcomes.
- Broad character protections operated as a constraint on housing diversity and redevelopment opportunities in well-located urban areas.

Importantly, the authors concluded that broad character and demolition controls can operate as a form of exclusionary zoning by preserving low-density neighbourhoods and limiting housing diversity. The study found that many historic dwellings were retained even in locations where redevelopment remained possible, suggesting that more targeted heritage protections could achieve conservation outcomes while reducing impacts on housing supply.

²⁵ Gallagher, R., Sigler, T. J., & Liu, Y. (2024). *Character contradiction: The exclusionary nature of preservationist planning restrictions*. *Urban Studies*, 61(6), 1013-1030. <https://doi.org/10.1177/00420980231195218>.

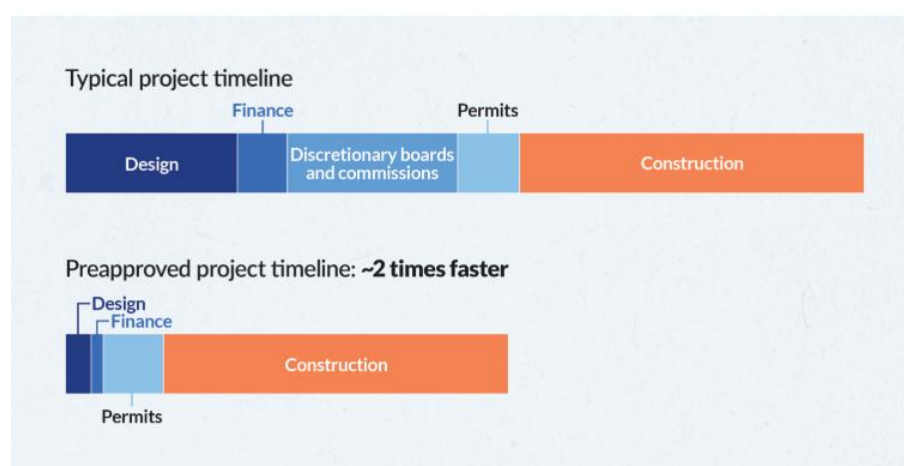
Research on benefits of design standardisation and pattern books

Emerging research from North America suggests that design standardisation, pattern books and preapproved housing plans can reduce approval delays, lower development costs and improve certainty in housing delivery²⁶. Rather than requiring every project to undergo a lengthy design and assessment process, pattern books provide a suite of preapproved housing designs that have already been assessed against local planning and building requirements.

The research found:

- Preapproved plans can substantially reduce approval timeframes across the approximately 40 jurisdictions with programs by removing discretionary design assessment and streamlining permitting processes.
- Builders benefit from lower design, architecture and engineering costs through the reuse of standardised plans.
- Greater certainty regarding approval outcomes reduces project risk and can improve access to finance.
- Local governments report reduced assessment workloads and more consistent decision-making.
- Pattern books can support a range of housing types, including detached homes, duplexes, townhouses and small apartment buildings.

Standard plans shorten the design phase and bypass discretionary approvals



Source: Adapted from presentation by Range Co., <https://tulsaplanning.org/docs/tthc/2025-05-29-TTHC-Housing-Conference-Slides.pdf>

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Figure 14: Project time saving from Pre-approved Housing Plans in North America

Importantly, the research also found that pattern books can improve community acceptance of new housing where designs are developed with community input and reflect local architectural character. By

²⁶ Rodnyansky, S., & Su, D. (2026, May 13). *Preapproved building plans help cities improve housing affordability: Drawings cleared in advance save time and costs for municipalities and builders*. The Pew Charitable Trusts. <https://www.pewtrusts.org>



establishing acceptable housing forms upfront, these programs can reduce uncertainty for both residents and developers while supporting more timely housing delivery.

While not a substitute for broader planning reform, the available evidence suggests that design standardisation and preapproved housing plans can reduce delays, lower costs and improve certainty without compromising design quality or planning outcomes.

Failure to act on evidence / research

Taken together, the available evidence suggests that reforms to minimum lot size requirements and broad character and demolition controls have the potential to materially increase housing supply. Importantly, the available research finds limited evidence of many of the negative externalities commonly cited in opposition to such reforms, including impacts on neighbourhood amenity, crime, vegetation cover and traffic.

However, HIA notes that planning systems are often reluctant to challenge long-standing planning assumptions, even where there is strong empirical evidence that existing controls are constraining housing delivery and may not be achieving their intended purpose. As a result, regulatory settings frequently persist despite growing evidence that they reduce housing capacity, limit housing diversity and undermine affordability outcomes.

Productivity Commission Information Request

- *What evidence do you have on the effects of mandatory and voluntary inclusionary zoning requirements for affordable housing on housing supply and affordability?*

Mandatory inclusionary zoning requirements can prevent new homes

HIA does not support mandatory inclusionary zoning requirements or affordable housing quotas imposed on new residential developments.

While the objective of increasing affordable housing supply is widely supported, mandatory quotas effectively require the cost of subsidised housing to be absorbed elsewhere within a project. In practice, this reduces development feasibility, increases project risk and can result in fewer homes being delivered overall. Where affordable housing requirements reduce project viability, the consequence is not simply fewer market dwellings within a project, but potentially fewer projects proceeding altogether.

Queensland Experience with Mandatory Affordable Housing Requirements

A recent example is provided by the Woolloongabba Priority Development Area (PDA) in Queensland. In 2024, a mandatory affordable housing requirement of 20 per cent was introduced as part of the planning framework for the area.

HIA received industry feedback that the announcement of the proposed affordable housing requirement resulted in a substantial rush to lodge development applications with Brisbane City Council prior to the commencement of the PDA framework. Developers sought to secure an approval pathway via Council rather than Economic Development Queensland before the mandatory affordable housing quota applied to future projects.

This behaviour is itself instructive. Rather than encouraging additional housing delivery, the proposed requirement altered investment decisions and development timing, reflecting industry concerns regarding the impact of the quota on project feasibility.

Following implementation of the requirement, no development applications for new apartments were received within the PDA²⁷. In late 2025, the Queensland Government subsequently removed the

²⁷ Economic Development Queensland. (2025). *Current applications and approvals: Woolloongabba Priority Development Area* [Development approval register]. Queensland Government. Retrieved October 2025,



mandatory affordable housing quota after it became apparent that the requirement was undermining development feasibility and discouraging project activity.

The Woolloongabba experience highlights a key risk associated with mandatory inclusionary zoning policies. While such policies aim to increase the proportion of affordable housing within a project, they can simultaneously reduce the overall number of projects that proceed. Where this occurs, the outcome is fewer affordable homes and fewer market homes being delivered.

Recommendations for social and affordable housing

HIA recommends:

10. Prioritise incentive-based approaches over mandatory affordable housing – Incentives could include a combination of:

- Density and yield bonuses;
- Building height bonuses;
- Infrastructure charge concessions;
- Tax and fee reductions;
- Fast-tracked planning approvals;
- Infrastructure grants; and
- Low-interest or concessional finance.

Incentive-based approaches should be the preferred policy response. Where uptake remains limited, governments should review whether offered incentives are sufficient and consider stronger support mechanisms / incentives.

Information Request 3.1 – Discretion in Planning Processes & Appeals

Productivity Commission Information Request

- *When is discretion useful in planning processes, and when is it not useful? Are there examples of subjective requirements that should be changed or removed to improve certainty for developers?*

Overview of Discretion / Performance-Based Assessments

HIA notes that Australian planning systems have progressively moved towards performance-based assessment frameworks since the introduction of the *Australian Model Code for Residential Development (AMCORD)* in 1995²⁸. While this transition was intended to improve flexibility and support better development outcomes, the practical experience of many jurisdictions in 2026 has been that performance-based planning has often become associated with increased discretion, inconsistent decision-making and uncertainty regarding development outcomes.

Importantly, performance-based regulation itself is not inherently problematic. The *National Construction Code* also operates as a performance-based system yet generally provides a high degree of certainty

²⁸ Vickas, G. (2009). *Beyond reactive development control: Performance-based development assessment* (Submission No. 98 to the NSW Parliamentary Inquiry into the New South Wales Planning Framework).



because performance requirements are supported by objective technical standards, recognised compliance pathways and well-established methodologies for demonstrating compliance.

In contrast, many planning systems rely on extensive lists of performance criteria centred on concepts such as neighbourhood character, visual amenity, compatibility with surrounding development, streetscape contribution and community expectations. While these concepts may be important planning considerations, they are often accompanied by limited design guidance and little explanation of what outcomes are supported or how compliance can be demonstrated.

As a result, applicants are frequently required to justify compliance with broad and subjective performance outcomes that can be interpreted differently by different councils, assessors, agencies and appeal bodies. This creates uncertainty, increases development risk and contributes to unnecessary delays in the approval process.

Recommendations for Discretion in Planning Processes / Performance-Based Planning

HIA recommends:

- 11. Strengthen guidance for performance-based planning systems** – Consistent with best-practice regulation, performance-based planning controls should be supported by clear guidance on key definitions, desired outcomes and accepted methods of demonstrating compliance.

Performance-based planning can provide flexibility and support innovation. However, where assessment criteria rely on subjective concepts without clear guidance, they can create unnecessary uncertainty, inconsistency and delay.

Productivity Commission Information Request

- *How should third-party appeal processes be changed to better balance the benefits they provide to community members and the uncertainty and delay costs they impose on developers?*

Improve certainty by reforming third-party appeal rights

HIA considers that community participation is a fundamental component of the planning system. However, community engagement is most effective when undertaken during the preparation of strategic plans, neighbourhood plans, master plans and precinct plans, where decisions regarding future growth, density, housing capacity and infrastructure provision are established. These processes are specifically designed to balance competing community interests and determine the preferred development outcomes for an area.

Once these decisions have been made through a transparent strategic planning process, development proposals that are broadly consistent with the approved framework should be able to proceed with a high degree of certainty. In practice, a significant proportion of planning disputes and appeals are not associated with developments that fundamentally alter the strategic vision for an area but rather involve relatively minor variations to development standards such as building height, site cover or floor space ratio.

While these matters may warrant assessment on their merits, they often do not justify reopening broader debates regarding the appropriateness of growth, density or housing delivery that have already been resolved through the strategic planning process.

HIA considers that third-party appeal rights should be more closely targeted to developments that materially depart from approved strategic planning frameworks or seek outcomes that are clearly inconsistent with the intended vision for an area.



Recommendations for Third-Party Appeal Processes

HIA recommends:

- 12. Refocus third-party appeal rights and promote community engagement at strategic planning level** – Third-party appeal rights be focused on developments that significantly depart from approved strategic planning frameworks. Community engagement should be concentrated at the strategic planning stage where decisions about growth, density and development outcomes are most appropriately made.

Information Request 3.2 – Streamlining Development and Subdivision Approvals

Productivity Commission Information Request

- Are there any requirements for development approval that should be removed? In these cases, how should any risks be mitigated?*

Duplication in planning requirements and the National Construction Code

HIA considers that one of the most significant opportunities for reform is the removal of planning assessment requirements that duplicate matters already comprehensively regulated through the National Construction Code (NCC) and associated Australian Standards.

The NCC exists to establish nationally consistent technical requirements relating to structural adequacy, health, safety, accessibility and building performance. However, in many jurisdictions planning systems increasingly assess or regulate matters that are already addressed through the building approval process.

This can result in applicants being required to provide multiple technical assessments addressing the same issue at different stages of the approval process, increasing costs, delays and administrative burden without materially improving outcomes.

Landslip and Geotechnical Assessments

A common example involves landslip and slope stability overlays. Where development is proposed on land identified as potentially subject to landslip or geotechnical risks, planning schemes often require applicants to commission geotechnical reports and obtain planning approval before development can proceed.

However, the National Construction Code already contains a comprehensive framework to manage these risks through the building approval process. Before a building can be designed and certified, applicants are typically required to undertake:

- Site classification and soil testing.
- Structural engineering design.
- Slab and footing design in accordance with relevant Australian Standards.
- Design certification and compliance with the National Construction Code.
- Building approval and certification processes.

These assessments are highly detailed, site-specific and directly linked to building design outcomes. In contrast, planning-stage geotechnical assessments are often undertaken at a much higher level and before detailed engineering design has commenced.



Recommendations for Development Approval Requirements that should be removed

HIA recommends:

- 13. Review and remove duplicative requirements** – Consistent with best-practice regulation principles, state and territory governments should identify and remove planning controls, overlays and approval requirements that duplicate matters already regulated through the National Construction Code, Australian Standards or other specialist regulatory frameworks.

Productivity Commission Information Request

- What could each state and territory do, if anything, to improve the process for receiving subdivision approvals?*

HIA considers that subdivision approval processes remain unnecessarily complex in many jurisdictions and are characterised by duplicated assessment, inefficient sequencing of works and poor transparency.

Resolve strategic constraints earlier

Subdivision approvals are often burdened by issues that should have been substantially resolved at the strategic planning, rezoning or precinct planning stage.

Matters such as environmental constraints, infrastructure servicing strategies, flooding responses, drainage corridors, transport connections and major utility requirements are frequently reconsidered throughout subdivision assessment, operational works approvals, condition compliance and plan sealing processes. This can result in the same issues being revisited multiple times despite earlier strategic planning decisions already identifying land as suitable for urban development.

Where land has been rezoned for urban purposes, there should be greater confidence that key development constraints have already been identified, assessed and addressed. Continually revisiting strategic issues during subsequent approval stages creates unnecessary costs, delays and uncertainty while reducing confidence in strategic planning decisions. This would improve certainty, reduce duplication and accelerate the delivery of serviced and titled lots.

Expand early construction programs

A significant improvement available to most jurisdictions is the broader use of early construction or "early build" programs.

Under traditional subdivision processes, detached housing construction generally cannot commence until:

- Civil works are completed.
- The plan of subdivision has been registered.
- Individual lots have been formally created.

Many jurisdictions have demonstrated that these risks can be appropriately managed through controlled early construction programs that allow housing construction to commence before formal registration occurs.

The benefits include:

- Reduced project delivery timeframes.



- Earlier housing supply.
- Lower holding and financing costs.
- Improved cash flow for developers and builders.
- Faster housing occupation outcomes.

HIA considers there is substantial scope to expand these programs where appropriate safeguards are in place.

Sequencing issues and conditions requiring premature works

Subdivision conditions often require works to be completed before plan sealing that are subsequently damaged or removed during dwelling construction.

Examples include:

- Driveway crossovers installed before housing construction.
- Verge landscaping completed before builders commence work.
- Public realm works that are subsequently disturbed during service connections or building activity.

These requirements should be reviewed given they create unnecessary costs and inefficiencies.

Empower Private Sector (Register Professional Engineers) to certify engineering compliance

HIA also supports greater use of private sector expertise in the delivery and certification of operational works associated with subdivision development.

Examples implemented by agencies such as the Economic Development Queensland framework have demonstrated the benefits of allowing qualified private sector professionals to undertake certification, inspections and compliance functions under appropriate regulatory oversight.

Greater use of accredited private sector consultants can:

- Reduce approval bottlenecks.
- Improve responsiveness.
- Reduce reliance on constrained government resources.
- Accelerate subdivision delivery.
- Allow regulators to focus on higher-risk compliance activities.

Recommendations for Subdivision Processes

HIA recommends:

- 14. Develop a national best-practice framework for subdivision approvals** – The Australian Government should work with state and territory governments to identify and promote best-practice subdivision approval processes that improve productivity, reduce duplication and accelerate housing delivery, including early build programs, streamlined plan sealing processes, private certification pathways and the upfront resolution of development constraints.

Information Request 3.3 – Planning System Reform

Productivity Commission Information Request

- *How effectively are reforms to planning rules, such as SA's Planning and Design Code and Victoria's Clause 55, working to make approvals more certain?*

The productivity benefits of standardisation are well established. Clear, consistent and predictable rules reduce costs, improve efficiency and increase confidence to invest. Housing is no different. Where planning requirements are standardised, builders can develop repeatable housing products, streamline design processes and provide greater certainty to consumers. Feedback from HIA members suggests reforms such as Victoria's townhouse code, Western Australia's R-Codes and South Australia's Planning and Design Code are generally improving certainty and supporting housing delivery outcomes.

Victoria's Townhouse Code

Member feedback regarding Victoria's townhouse reforms has been generally positive. HIA members report that clearer standards have increased confidence among homeowners, developers and builders to pursue missing middle housing projects, particularly duplexes and townhouses.



Clause 55 Two or more dwellings on a lot and residential buildings

Version 2 – May 2025

CASE STUDY 6 Victoria's Townhouse Code

Overview: Victoria's Townhouse Code, introduced in March 2025, created a streamlined planning pathway for duplexes, townhouses and low-rise apartments up to three storeys. The reforms established standardised "deemed-to-comply" controls relating to setbacks, tree canopy, sunlight access, open space and overlooking. Applications meeting the standards are able to move through a faster and more certain approval pathway.

Key takeaways: According to the Victorian Government, since the reforms were introduced, applications for townhouse-style housing increased by almost 50 per cent across Victoria, rising from approximately 4,800 to 7,000 applications within a year²⁹. Standardisation and streamlined pathways lead to increased housing supply for missing middle projects.

Figure 15: Clause 55 guidance document

HIA has also received feedback that the reforms have delivered benefits beyond the planners and developers. Builders report that sales staff are increasingly confident discussing duplex and townhouse opportunities with prospective clients because there is greater clarity regarding what is, and is not, permitted under the planning system.

This certainty at the point of sale is important because it allows homeowners and developers to proceed with greater confidence, reduces reliance on speculative advice regarding approval outcomes and improves the willingness of builders to invest in standardised housing products and designs.

Builder behaviour demonstrates the value of certainty

A useful indication of planning certainty can be seen in the behaviour of volume builders operating across multiple states.

²⁹ Victorian Government. (2026, June 3). *Townhouse boom after Labor planning reforms*. Premier of Victoria. <https://www.premier.vic.gov.au/townhouse-boom-after-labor-planning-reforms>



Large builders commonly market and advertise pre-designed duplex products in Victoria because of the certainty provided by the planning framework. Comparable products are often not actively promoted in jurisdictions where approval pathways remain more discretionary and less predictable.

The willingness of builders to invest in standardised housing products, design catalogues and repeatable construction models is itself a strong indicator of planning certainty. Where approval outcomes are uncertain, builders are understandably reluctant to invest in these housing products.

Information Request 3.4 – Strategic Planning and Planning System Performance

Productivity Commission Information Request

- *Do the features of tiered assessments we have identified match best-practice? What sort of developments should be included in each tier?*

HIA broadly supports tiered assessment frameworks. Planning effort should be proportionate to the complexity, risk and potential impacts of development, with low-risk proposals being subject to the lowest level of regulatory scrutiny and more complex proposals receiving more detailed assessment.

The broader issue remains the high volume of small-scale residential planning applications

Planning systems should not simply process large volumes of routine applications more efficiently. They should periodically review why those applications are being triggered in the first place.

Where particular forms of development are routinely supported, governments should examine whether the underlying controls remain appropriately calibrated. For example, if planning authorities consistently approve applications seeking a minor variation to a site coverage requirement on small residential lots, there may be merit in reviewing the standard itself. A site coverage control set at 50 per cent that routinely results in approved applications for 55 per cent site coverage may indicate that the planning framework is generating unnecessary assessment work rather than managing a genuine planning issue.

This type of regulatory feedback loop is common in other sectors. Where assessment outcomes consistently demonstrate that a particular standard is too restrictive or misaligned with practical outcomes, the standard itself is adjusted. Planning systems should operate in a similar manner. Rather than repeatedly assessing the same low-risk variations, governments should identify commonly supported outcomes and incorporate them into the code or deemed-to-comply framework.

Doing so would reduce application volumes, improve planning system productivity and allow planning resources to focus on proposals that genuinely require discretion and planning judgement.

The Victorian example raises a broader question

Victoria's recent townhouse reforms demonstrate both the benefits and limitations of tiered assessment approaches.

Member feedback has been generally positive, particularly regarding greater certainty for homeowners, builders and sales staff about what types of duplexes and townhouse projects can be approved. However, the Victorian model also highlights a broader policy question.

Where a proposal fully complies with all deemed-to-comply requirements relating to setbacks, height, site coverage, overlooking, open space, landscaping and neighbourhood character, there is often little planning judgement left to exercise.

In these circumstances, HIA questions the purpose of requiring a planning permit pathway at all.



If a proposal satisfies every prescribed requirement and there is effectively no scope for refusal, the process becomes one of verifying compliance rather than undertaking a genuine planning assessment. In these cases, certification-based pathways or permit exemptions may be more appropriate than requiring applicants to continue through a planning approval process.

The objective should not simply be faster assessment of low-risk applications. The objective should be reducing the number of low-risk applications entering the planning system at all by ensuring planning controls reflect outcomes that are routinely supported in practice.

Productivity Commission Information Request

- *How effective has technology including AI been where it has been used to assist with approvals? How can it be better utilised?*

Technology has been most effective when applied to administrative and compliance-based functions such as application tracking, referral management, document checking and assessment against objective deemed-to-comply standards. However, technology cannot overcome unnecessarily complex, discretionary or fragmented approval systems. The greatest gains will come where governments first simplify approval pathways and standardise requirements, allowing technology to automate repeatable tasks.

Looking ahead, HIA considers artificial intelligence will play an increasingly important role in planning and development approvals. Given the anticipated pace of technological improvement, governments should continue to actively review and adopt emerging technologies where appropriate, particularly in areas such as compliance assessment, subdivision processing, performance reporting and approval tracking. The most successful outcomes will occur where technology is used to support simpler, more standardised and risk-based regulatory systems.

Productivity Commission Information Request

- *What are the best ways to enhance how states and territories track the timing and burden of approvals?*

A major challenge for planning reform is that many jurisdictions cannot consistently measure how their approval systems are performing. Governments frequently focus on statutory assessment timeframes, yet often lack visibility over broader delays associated with referrals, requests for information, condition compliance, subdivision approvals, plan sealing and ancillary permits.

In HIA's experience, one of the most significant barriers to reform is the absence of reliable performance data. If governments cannot accurately identify where delays occur, it becomes difficult to target reforms, measure improvements or hold decision-makers accountable.

South Australia provides a useful model

South Australia has established one of Australia's most comprehensive planning performance reporting frameworks through the State Planning Commission Performance Indicators Scheme. The framework collects data centrally through the Planning Portal and reports system-wide performance across the development assessment process.

Importantly, the scheme measures far more than simple approval timeframes, including:

- Development applications lodged.
- Verification timeframes.
- Public notification activity.



- Requests for additional information.
- Referral agency performance.
- Planning consent decisions.
- Building consent decisions.
- Land division approvals.
- Court appeals.
- Development values and activity levels.

The framework also requires annual reporting on system performance, trends, inefficiencies and opportunities for improvement. This level of transparency allows government, industry and the community to identify bottlenecks and benchmark performance across the planning system.

Measure the Whole Approval Process

HIA considers governments should move beyond measuring only statutory assessment periods.

A true picture of housing delivery performance should include:

- Development assessment timeframes.
- Referral agency processing times.
- Requests for further information.
- Operational works approvals.
- Condition compliance.
- Subdivision and plan sealing timeframes.
- Ancillary permits and approvals.

Tracking only one stage of the process can significantly understate the actual time required to bring housing to market.

Recommendations for Enhancing burden tracking

HIA recommends:

- 15. Adopt best-practice approval performance reporting and benchmarking** - The Australian Government should work with state and territory governments to promote a nationally consistent approach to approval performance reporting, building on frameworks such as South Australia's planning performance indicator system.

Reporting should measure end-to-end approval timeframes, referral performance, subdivision approvals, plan sealing and ancillary permits to improve transparency, identify bottlenecks and support continuous planning system reform.

Productivity Commission Information Request

- *How can federal, state and territory governments incentivise councils to approve developments efficiently, and encourage those that are slow or are obstructing approval pathways?*

Governments should use funding agreements to incentivise planning system performance and housing delivery outcomes. Councils that consistently meet approval timeframes, implement housing reforms, maintain adequate land supply, and facilitate housing consistent with adopted planning strategies should receive priority access to infrastructure funding, housing delivery programs and planning capacity grants.



Recommendations for Incentivising Councils to Approve Developments Efficiently

HIA recommends:

- 16. Link infrastructure and housing funding to planning performance and housing delivery outcomes** – Federal and state governments should prioritise infrastructure funding, planning support programs and housing delivery incentives for councils that demonstrate efficient approval processes, maintain adequate development capacity and support the delivery of new housing consistent with adopted strategic planning frameworks.

Performance measures should focus on actual housing delivery outcomes, including commencements, completions and subdivision approvals, rather than approval numbers alone.

Information Request 4.1 – Utility / Service Coordination

Productivity Commission Information Request

- *What reforms are required to infrastructure planning and coordination to support more timely utility connections? To what extent is there misalignment of incentives between each level of government and infrastructure service providers?*

Infrastructure planning and utility delivery remain fragmented

A persistent challenge across Australian jurisdictions is that housing approvals and infrastructure approvals operate as largely separate systems. While planning authorities determine whether housing can occur, utility providers determine whether it can actually be serviced. Too often these decisions are made independently, resulting in delays, redesigns and increased project costs.

Responsibility for water, sewerage, electricity, drainage and transport infrastructure is fragmented across local governments, statutory authorities, state-owned corporations and government agencies. Service standards, assessment requirements, approval pathways and timeframes often differ substantially between providers. This creates a system that is:

- Difficult to navigate.
- Inconsistent across jurisdictions.
- Poorly coordinated.
- Lacking in accountability.

The consequence is that housing can receive planning approval but still be delayed for months or years because critical servicing issues remain unresolved.

Utility providers often face different incentives to housing delivery

A significant source of misalignment is that utility providers are generally incentivised to minimise operational risk and long-term maintenance costs, while governments are seeking to accelerate housing delivery.

In practice this can result in:

- Highly conservative infrastructure standards.
- Requirements for ultimate infrastructure capacity rather than staged delivery.
- Reluctance to accept alternative materials or innovative servicing solutions.



- Repeated design changes during assessment processes.
- Additional infrastructure requirements being imposed after planning approval.

Industry feedback consistently highlights situations where utility requirements change during project delivery, requiring redesign, re-approval and additional costs despite earlier planning approvals having already been granted.

Utility providers remain largely outside accountability frameworks

Unlike other parts of the development process, utility providers are generally not subject to:

- Statutory approval timeframes.
- Public performance reporting.
- Transparent service benchmarks.
- Approval escalation pathways.
- Deemed approval mechanisms.

Several jurisdictions report utility connection delays. Queensland industry feedback, for example, continues to identify electricity connection approvals as a major project risk, with developers reporting connection delays of six to twelve months in some cases. Similar concerns have been raised regarding water and sewer servicing approvals in South Australia and other jurisdictions.

Recommendations for Infrastructure Delivery

HIA recommends:

- 17. Promote nationally consistent utility standards and connection processes** – Governments should work with infrastructure providers to increase consistency in utility servicing requirements, technical standards and connection processes, reducing duplication, redesign and uncertainty across jurisdictions.
- 18. Support alternative infrastructure delivery and funding models** – Governments should investigate and enable alternative infrastructure delivery mechanisms that facilitate earlier provision of housing-enabling infrastructure and better align infrastructure funding with housing delivery outcomes.

Information Request 4.2 – Infrastructure Planning Reform

Productivity Commission Information Request

- *What feedback do you have on our reform directions for infrastructure planning? To what extent will these resolve the planning coordination issues and address constraints to housing supply?*

Overall, HIA considers the Commission's infrastructure reform directions provide an excellent starting point. If implemented effectively, they have the potential to address many of the infrastructure coordination issues currently constraining housing supply. The key challenge will be ensuring all infrastructure providers are aligned to housing delivery outcomes rather than operating as separate approval systems with different priorities, standards and performance expectations.



Productivity Commission Information Request

- *How should reforms to infrastructure planning be implemented and what are the main challenges?*

Successful implementation will require governments to recognise that infrastructure planning is not simply a funding issue. It is increasingly a coordination and governance challenge involving planning authorities, infrastructure providers, utility companies, local governments and state agencies. A key challenge is institutional fragmentation.

Information Request 4.3 – Infrastructure Funding and Developer Contributions

Productivity Commission Information Request

- *How can governments balance the need to support feasibility for developers by collecting developer contributions later in the development process, with a need for upfront funding to kickstart infrastructure to support new housing?*

A significant proportion of housing-enabling infrastructure is already delivered upfront by developers as part of normal subdivision and development activity. Roads, water, sewerage, drainage, electrical infrastructure and public open space are frequently constructed before lots are sold or dwellings are occupied. In many jurisdictions, developers are effectively financing and delivering infrastructure ahead of demand while also being required to pay substantial infrastructure contributions early in the development process.

Information Request 4.4 – Developer Contributions Reform

Productivity Commission Information Request

- *Are our directions for improving developer contribution frameworks addressing key infrastructure challenges that will support housing supply? What evidence or case studies support this?*

HIA broadly supports the Commission's proposed reform directions relating to developer contributions. The focus on transparency, nexus, cost-reflective charging, staged payment arrangements and clearer reporting addresses many of the practical issues experienced by industry.

Developer contributions are increasingly being required before projects generate revenue, creating substantial financing costs and reducing development feasibility. This is particularly problematic in the current environment of elevated financing costs, construction costs and infrastructure requirements.

Significant variation in infrastructure charges

Industry evidence demonstrates that contribution frameworks can have a material impact on housing affordability:

- Infrastructure charges for a typical 200-lot subdivision range from approximately \$16,000 per lot in Tasmania to more than \$100,000 per lot in New South Wales.
- In Queensland, infrastructure charges between \$45,000 and \$75,000 per lot are increasingly common in growth areas outside Priority Infrastructure Areas.

Infrastructure Agreements can result in materially higher charges than originally contemplated under Requiring contributions to be paid before revenue is realised can generate substantial financing costs that ultimately flow through to homebuyers.



Figure 16: HIA comparison of developer charges (per allotment) in example 200 lot scenario



The scale of variation raises a broader policy question. Despite delivering broadly similar infrastructure networks, including roads, water, sewerage, drainage, parks and community facilities, there is often limited explanation as to why some jurisdictions require contributions that are several times higher than others.

Governments should examine the factors driving these differences, including:

- Infrastructure standards and specifications.
- Cost-sharing arrangements.
- Infrastructure scope and inclusions.
- Asset ownership and delivery models.
- Planning and charging methodologies.
- Utility and servicing requirements.

Without this analysis, it is difficult to determine whether infrastructure is being delivered efficiently or whether unnecessary costs are being imposed on new housing.

Information Request 4.5– Role of the Australian Government for Infrastructure

Productivity Commission Information Request

- *Are our proposed roles for the Australian Government in supporting housing-enabling infrastructure useful and appropriate to support new housing? What other roles should we consider?*

HIA supports a stronger role for the Australian Government in coordinating housing-enabling infrastructure.

The Australian Government is uniquely positioned to:

- Encourage nationally consistent approaches.
- Support major enabling infrastructure.
- Improve transparency.
- Incentivise state reform.
- Collect and publish comparative performance information.

Particular areas where the Commonwealth can add value include:

- **Forward Funding Housing-Enabling Infrastructure** – Supporting infrastructure delivery ahead of housing demand through targeted funding programs, revolving infrastructure funds and Housing Accord incentives.
- **National Performance Reporting** – Establishing nationally consistent reporting of infrastructure delivery, utility connection timeframes, developer contributions, infrastructure provider performance and housing outcomes.



- **Alternative Infrastructure Delivery Models** - Working with states and territories to investigate and enable alternative infrastructure delivery and funding models that allow infrastructure to be delivered earlier and paid for progressively over time.
- **Infrastructure charging benchmarking** – Reviewing why infrastructure contributions vary so significantly across jurisdictions delivering broadly comparable infrastructure outcomes and identifying best-practice approaches to cost sharing, charging methodologies and infrastructure delivery.
- **Utility provider accountability** – Promote nationally consistent service standards, approval timeframes and performance reporting for utility providers and servicing authorities. HIA notes that some utility providers have argued developer contributions do not provide full cost recovery.

However, developer contribution frameworks were never intended to fully fund growth infrastructure. Their purpose is to ensure development makes a reasonable contribution toward infrastructure costs, with broader network benefits appropriately funded through user charges and government investment.

Information Request 5.1– Implementing Housing System Reform

Productivity Commission Information Request

- *How can the Australian Government best support state and territory and local governments to shift housing regulatory systems towards best practice?*

HIA considers the Australian Government is well positioned to play a leadership, coordination and incentive role.

Recognising that planning powers remain with states, territories and local governments. As a result, the Commonwealth's role will therefore be encouraging the adoption of best-practice approaches through funding, benchmarking, guidance and accountability mechanisms.

The Australian Government can support reform by:

- Promoting nationally consistent best-practice regulatory principles.
- Funding planning system modernisation and digital transformation.
- Supporting infrastructure that unlocks housing delivery.
- Benchmarking planning and infrastructure performance across jurisdictions.
- Publishing comparative performance data.
- Supporting workforce capability and planning resources.
- Incentivising reform through housing and infrastructure funding programs.

Link funding to reform outcomes

One of the strongest levers available to the Commonwealth is funding. Future housing and infrastructure funding programs should prioritise jurisdictions that are:

- Implementing planning reforms.
- Improving approval performance.



- Maintaining adequate development capacity.
- Removing duplication and unnecessary regulation.
- Delivering housing supply outcomes.

This does not require a punitive approach. Rather, governments that adopt best-practice systems and demonstrate measurable improvements in housing delivery should receive priority access to funding and support programs.

Develop national best-practice frameworks

The Commonwealth can also assist by developing nationally recognised best-practice guidance across key areas including:

- Development assessment.
- Subdivision approvals.
- Infrastructure planning.
- Utility approvals.
- Environmental regulation.
- Housing performance reporting.

While implementation should remain a state responsibility, nationally endorsed frameworks would reduce duplication and promote consistency across jurisdictions.

Improve transparency and accountability

The Commonwealth should continue supporting nationally consistent performance reporting and housing pipeline monitoring.

What gets measured gets managed. Consistent reporting of approvals, commencements, completions, land supply and infrastructure delivery would allow governments and industry to identify bottlenecks and monitor whether reforms are working.

2. Further matters for consideration as reform directions

Modernising urban growth boundaries to be adaptive and responsive

HIA does not support urban growth boundaries as a primary mechanism for managing housing supply. Urban growth boundaries were widely promoted during the early 2000s on the basis that restricting fringe development would contain urban sprawl, increase development within existing urban areas and improve housing affordability through more efficient urban consolidation.

In 2008, the Senate Inquiry into Housing Affordability in Australia, through its report *‘A good house is hard to find: Housing affordability in Australia’*, examined the implementation of urban growth boundaries in Victoria and South Australia and their implications for housing supply and affordability. The Inquiry noted that the Victorian and South Australian Governments had adopted urban growth boundaries to contain urban development and direct future housing growth towards existing activity centres and established urban areas. At the time, these policies were viewed as a key mechanism for delivering more compact cities and improving affordability outcomes.

More than two decades later, however, the anticipated affordability benefits have not materialised. Housing affordability has continued to deteriorate, housing completions have frequently failed to keep pace with underlying demand and greenfield land prices have continued to rise. While urban growth boundaries were intended to encourage greater levels of infill development, they have not prevented persistent housing shortages nor demonstrably improved affordability outcomes. Similarly, there remains limited evidence demonstrating the extent to which urban growth boundaries have successfully reduced urban sprawl relative to their original policy objectives.

Importantly, the Senate Inquiry itself recognised the limitations of fixed growth boundaries, noting that they needed to account for changing population forecasts and that governments should remain aware of the pressure that population growth could place on urban growth limits over time. The Inquiry also noted that both Victoria and South Australia had already expanded their original urban growth boundaries in response to stronger-than-anticipated growth pressures.

Proposed Additional Reform Direction

Modernise urban growth boundaries to be adaptive and responsive

State and territory governments should ensure urban growth boundary review processes are transparent, timely, evidence-based and responsive to changing housing needs.

This should include:

- Regular reviews of urban growth boundaries and future land supply.
- Clear pathways for landowners and proponents to seek boundary amendments.
- Objective assessment criteria linked to housing supply, affordability and population growth.
- Statutory decision-making timeframes.
- Independent review and appeal mechanisms.
- Greater consistency in review and assessment processes across jurisdictions.



Reforming local government laws and other ancillary approvals

While planning reform discussions are often focused on development assessment systems, zoning and planning approvals, HIA members increasingly report that significant delays arise from local government local laws, administrative procedures and ancillary permits that sit outside the formal planning framework.

These requirements commonly include:

- Traffic management permits.
- Road opening permits.
- Works within road reserves.
- Asset protection permits.
- Utility and service authority approvals.
- Compliance assessments.
- Environmental permits and vegetation approvals.
- Local law approvals and permits

In many cases these processes operate separately from development assessment despite addressing matters that may have already been considered through a planning approval. Unlike planning schemes, which are generally subject to state oversight, statutory review processes and formal consultation requirements, local laws and administrative approval systems often receive considerably less scrutiny regarding their necessity, consistency and impact on housing supply.

Inconsistent requirements across regulators hinders productivity

A key challenge is the significant variation in ancillary approval processes between local government areas and agencies.

Developers operating across multiple jurisdictions frequently encounter different application requirements, assessment criteria, technical standards, fees, approval pathways and decision-making timeframes for substantially similar activities. This inconsistency increases compliance costs, creates uncertainty and reduces the efficiency of housing delivery.

Many of these ancillary approvals remain fragmented, discretionary and highly variable. The result is effectively a second layer of regulation operating alongside the planning system.

Example of Delays to Approved Projects

It is not uncommon for builders to advise clients that it can take longer to secure a street tree removal permit than it does to construct a new carport and complete a house renovation. This highlights the extent to which ancillary approvals can become disconnected from the scale, risk and complexity of the works being undertaken.

HIA members report examples where developments holding valid planning approvals have been unable to proceed because ancillary permits have been delayed or withheld.

Example: David Low Way, Coolum Beach, Queensland – Traffic Guidance Scheme Approval

A detached house at 1648 David Low Way, Coolum Beach had already obtained development approval and was approximately six months into construction when it became subject to a prolonged delay associated with the need for a Traffic Guidance Scheme approval from the Department of Transport and Main Roads (TMR).

Key facts include:

- The development approval had been issued and construction was already underway.
- Approximately six months of building work had been completed on site.
- The project required a traffic control permit and traffic guidance scheme to undertake driveway and verge works within the state-controlled David Low Way road corridor.
- Sunshine Coast Council was undertaking nearby beach restoration works under an existing traffic management arrangement.
- Under TMR's policy, where nearby work activities are considered part of a single roadworks environment, traffic management arrangements are expected to be coordinated and assessed together.
- TMR would not accept the proponents request for a traffic guidance scheme while the council works remained active.
- As a result, the project remained unable to proceed for 311 days before the required permit was finally issued and construction recommenced.
- The project value was approximately \$2.75 million accruing significant holding costs.

Importantly, the delay was not caused by planning assessment or concerns regarding the merits of the development. The project had already been approved and substantially constructed. Instead, the delay arose entirely from an ancillary permit required under a separate administrative process.

Limited scrutiny of local laws and ancillary approval processes

A further concern is that many local laws, agency procedures and ancillary approval requirements are not subject to the same level of scrutiny as planning schemes and development assessment legislation.

While planning controls are typically developed through formal statutory processes involving public consultation, state oversight and review mechanisms, ancillary approvals often arise through local laws, engineering standards, operational policies and administrative procedures. These requirements can accumulate over time with limited consideration of:

- Whether they duplicate matters already assessed through development approvals.
- Their impact on housing supply and affordability.
- The costs and delays imposed on applicants.
- Whether less burdensome alternatives exist.

The result can be a form of regulatory creep, where additional approvals operate as a de facto second development assessment system outside the formal planning framework.

Example: Brisbane City Council – Natural Asset Local Law 2003

The Brisbane City Council Natural Assets Local Law 2003 (NALL) is a local law that regulates the removal of vegetation on certain properties across Brisbane.

The framework applies broadly in two ways:

- To properties captured through designated zoning, vegetation mapping and environmental layers administered by Brisbane City Council.
- To individual properties where vegetation has at some point been identified as potentially possessing ecological, landscape or environmental significance warranting retention.

In practice, the local law can apply to vegetation on residential land even where the property is already subject to planning scheme provisions, environmental overlays, state and federal vegetation assessment processes. Property owners seeking to remove or substantially alter regulated vegetation may be required to obtain a separate approval under the local law.

The Brisbane City Council Natural Assets Local Law 2003 (NALL) has attracted scrutiny from legal professionals regarding whether aspects of its operation create an additional approval layer beyond existing state environmental assessment processes. Legal experts have raised concerns that:

- Broad definitions of regulated vegetation can make it difficult for property owners to determine whether approvals are required.
- Property owners may bear substantial costs proving vegetation should not be regulated.
- Decisions are generally subject to internal council review processes rather than independent merits review.

This example illustrates the broader issue that local laws can impose substantial development constraints without being subject to the same level of policy scrutiny or cost-benefit analysis.

Proposed Additional Reform Direction

Review and reform local laws and ancillary approval systems

State and territory governments should review local laws, ancillary permits and administrative approval requirements that affect housing delivery and ensure they are necessary, proportionate and aligned with best-practice regulatory principles.

This should include:

- Removing duplicative approval requirements.
- Standardising processes and assessment criteria where practical.
- Introducing statutory decision-making timeframes.
- Providing appropriate review and appeal rights.
- Periodically reviewing local laws and ancillary permits.

As governments streamline planning systems, equivalent attention should be given to the growing network of local laws, agency approvals and administrative processes that can delay housing delivery outside the formal development assessment framework.



Reforming the regulation of environmental and natural hazards

Inconsistent Hazard and Environmental Regulation

One of the most burdensome aspects of development in Australia, is the proliferation of environmental and natural hazard overlays. There is a significant lack of consistency in how environmental and hazard constraints are identified, mapped and regulated across Australia.

Despite assessing the same underlying risks, regulators frequently apply different:

- Modelling methodologies.
- Climate change assumptions.
- Risk tolerances.
- Assessment triggers.
- Development standards and mitigation requirements.

Even nationally recognised hazards such as sea level rise are treated differently across Australia. Different states and local governments apply different planning horizons and sea level rise assumptions, and development controls despite relying on the same underlying body of scientific evidence. The result is that comparable coastal sites can face materially different development outcomes depending on the jurisdiction in which they are located.

Similarly, neighbouring local governments within the same flood catchment can apply very different planning responses to equivalent flood risks. A flood event does not change when it crosses a local government boundary, yet planning requirements often do. Development that may be permitted with mitigation measures in one council area can be prohibited or subject to significantly more onerous requirements in another.

Increasing Burden on Applicants

A further concern is that planning systems often presume mapped constraints are correct, even where they are based on broad-scale modelling, precautionary assumptions or uncertain long-term projections.

As a result, the burden frequently falls on landowners and development proponents to demonstrate that:

- The mapped constraint is inaccurate.
- The risk has been overstated.
- The site behaves differently to the mapped assumptions.
- Appropriate mitigation measures can manage the identified risk.

This can require significant expenditure on specialist consultants, technical modelling and expert reports before the planning merits of a project are even considered.

While precautionary approaches may reduce perceived legal and institutional risk for regulators, they can significantly increase costs, delays and uncertainty for housing projects. In some cases, constraints appear easier to impose than they are to review, justify or remove.

An improved approach is needed

Environmental and hazard controls should continue to protect communities from genuine risks. However, their application should be constrained by clear principles of consistency, proportionality, evidence and accountability.

The question should not simply be whether an overlay can be applied, but whether the overlay is:



- Supported by robust and contemporary evidence.
- Applied consistently with comparable hazards elsewhere.
- Proportionate to the risks being managed.
- The least burdensome mechanism available to achieve the desired outcome.

Proposed Additional Reform Direction

Improve consistency and application of environmental and hazard regulation

State and territory governments should work together to develop more consistent approaches to environmental overlays, hazard mapping and development controls for key hazards and environmental matters.

This should include:

- Consistent mapping methodologies and risk classifications.
- Regular review of overlays to ensure they remain evidence-based and proportionate.
- Clear mechanisms for applicants to challenge or refine mapping using site-specific information.
- Consideration of cumulative regulatory impacts where multiple overlays apply to the same land.

Conclusion

HIA supports the overall direction of the Productivity Commission's Interim Report and considers it provides a strong foundation for addressing many of the structural barriers limiting housing supply across Australia.

However, increasing housing supply requires a stronger focus on delivery. Planning systems should prioritise development feasibility, infrastructure coordination, regulatory consistency and the timely conversion of housing capacity into completed homes.

HIA encourages the Commission to continue pursuing reforms that reduce duplication, improve certainty, strengthen accountability and support a broader range of housing types and locations. Ultimately, success should be measured not by the amount of housing theoretically enabled, but by the number of homes actually delivered.