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Productivity Commission

Via email: housing.supply@pc.gov.au

Via online portal: <https://www.pc.gov.au/inquiries-and-research/housing-supply/make-submission/>

Dear Chair and Commissioner,

ASBEC Submission – Productivity Commission Interim Report on Housing Supply Regulation

The Australian Sustainable Built Environment Council (ASBEC) welcomes the opportunity to provide further input to the Productivity Commission’s Inquiry into Housing Supply Regulation following publication of its Interim Report.

ASBEC is a forum of peak bodies in the Australian built environment that collaborates for impact in pursuit of sustainable, productive and resilient buildings, infrastructure, communities and cities. Our [membership](#) brings together 40+ industry members including industry associations, professional bodies, and not-for-profit organisations, and 20+ government and academic observer organisations. Collectively, our members are involved in the planning, design, delivery and operation of Australia’s built environment.

Our members have long championed a strategic and systems-level approach to solving the housing and climate crises faced by our communities and urban environments, informed by evidence, industry/government collaboration and research. [ASBEC’s 2026–2030 Strategic Plan](#) is anchored around three interrelated objectives for the built environment:

- Accelerating decarbonisation
- Enhancing resilience and adaptation to climate change risk
- Transitioning towards a circular economy.

ASBEC welcomes the overall direction of the Interim Report. In particular, we support the Commission’s recognition that increasing housing supply requires attention to the housing delivery system as a whole, rather than a narrow focus on reducing planning approval timeframes.

This is strongly aligned with ASBEC’s [June 2026 submission](#), which argued that housing delivery is a systems challenge and that infrastructure provision, utility connections, servicing, construction capacity and project feasibility all influence whether approved housing is ultimately delivered.

We particularly welcome the Commission’s conclusion that reform of land-use controls and better coordination of housing-enabling infrastructure are likely to have a greater impact on housing supply than improvements to approval processes alone.

Key Recommendations

ASBEC supports the broad direction of the Commission’s proposed reforms and recommends that the final report:



1. Maintains a whole-of-system approach to housing delivery, focused on converting planned and approved capacity into completed homes
 2. Strengthens the integration of housing, infrastructure and energy planning, with particular attention to electricity network capacity and last-mile infrastructure
 3. Make efficient electrification the default for new development, including making all-electric development the default for new housing precincts to avoid unnecessary infrastructure duplication and future retrofit costs
 4. Supports efficient, risk-based and coordinated planning and approval systems while maintaining appropriate environmental, resilience and community safeguards
 5. Ensures housing reform supports well-located, resilient development and avoids creating long-term productivity, insurance and fiscal costs
 6. Provides a clear implementation framework, including responsibilities, sequencing, capability, accountability and measures of progress.
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Recommendation 1

Maintain a whole-of-system approach to housing delivery

ASBEC welcomes the Commission's emphasis on the interaction between land-use regulation, infrastructure planning and approvals.

Our initial submission emphasised that a planning approval does not itself deliver a home. The objective of housing reform should therefore be to improve the ability of the whole housing delivery system to move efficiently from strategic planning and land availability through infrastructure provision, approvals, construction and completion.

We particularly support the Commission's recognition that improving approval processes in isolation is unlikely to substantially increase housing supply. Faster and simpler approvals are important, but their impact will be limited where projects remain constrained by infrastructure capacity, servicing, feasibility or construction capacity.

The Commission's final recommendations should therefore remain focused on the performance of the overall housing delivery system rather than individual regulatory processes in isolation.

ASBEC supports nationally consistent measures of housing system performance that track progression from planned and approved capacity through to construction and completion, including infrastructure readiness and the conversion of approved housing into completed dwellings.

Recommendation 2

Strengthen the integration of housing, infrastructure and energy planning

ASBEC supports the Commission's proposed focus on better coordination and sequencing of housing-enabling infrastructure.

The final report should build on this approach by explicitly recognising electricity network capacity as a critical component of housing-enabling infrastructure.

Australia's housing growth is occurring alongside a major transformation of the energy system. New housing will increasingly rely on electricity for heating, cooling, cooking, hot water and transport, while also incorporating distributed energy technologies such as rooftop solar and batteries. Electricity network

capacity and connection infrastructure must therefore be planned alongside housing growth from the outset.

Strengthening integration requires governments to identify electricity network and servicing requirements early in strategic planning, align housing growth with network investment, ensure last-mile infrastructure is delivered in time to support development, and clarify responsibilities between planning agencies, infrastructure providers, energy networks and regulators.

Infrastructure readiness should be treated as a core housing supply consideration rather than an issue to be resolved after land has been rezoned or individual development proposals approved.

Recommendation 3

Make efficient electrification the default for new development

ASBEC reiterates our earlier recommendation that governments should make all-electric development the default for new housing precincts. This is not only an emissions reduction measure. It is also an infrastructure efficiency and productivity reform.

Installing parallel gas and electricity infrastructure in new communities can create unnecessary infrastructure duplication and risks investment in assets that may become redundant as Australia transitions towards net zero emissions.

Planning new communities around efficient electric technologies from the outset can reduce infrastructure duplication, avoid future retrofit costs and ensure new housing is compatible with the future energy system.

The Commission should therefore recognise electrification as part of good long-term infrastructure planning and encourage governments to align housing growth strategies with electricity network planning and investment.

Recommendation 4

Support streamlined, risk-based and coordinated approval systems

ASBEC supports the Commission's proposed direction towards simpler, faster and more predictable approval systems, including greater use of risk-based assessment pathways.

Regulatory effort should be proportionate to the complexity and risk of development while reducing unnecessary duplication between agencies, jurisdictions and approval processes. ASBEC supports earlier resolution of infrastructure and planning issues through strategic planning, clearer assessment pathways, better coordination between agencies and infrastructure providers, and improved transparency of approval performance.

The objective should not, however, be deregulation for its own sake. Good regulation provides important public benefits, including safety, liveability, environmental protection and resilience.

ASBEC therefore supports approaches that improve regulatory efficiency while maintaining appropriate safeguards.

ASBEC also broadly supports reforms that enable greater housing density and diversity in well-located areas, particularly where these are supported by strategic planning and coordinated infrastructure investment. A number of ASBEC members (e.g. Planning Institute of Australia) have particular expertise in land-use planning and development and will provide more detailed responses to the Commission on the design and implementation of these reforms.

From ASBEC's perspective, land-use reform should support compact, connected communities with good access to employment, transport, services and infrastructure.

Recommendation 5

Ensure housing reform supports long-term resilience

ASBEC welcomes the Interim Report's recognition that planning regulation has legitimate roles in managing environmental impacts and climate risk.

Housing supply reforms should not create development patterns that increase future costs for households, governments and the wider economy. Housing delivered today will remain part of Australia's built environment for many decades, while climate change is increasing exposure to hazards including heat, flooding, bushfire and other extreme weather events.

Decisions about where and how housing is developed must therefore consider not only short-term development feasibility but also long-term safety, liveability, insurability and infrastructure resilience.

Poorly located development can impose significant future costs through disaster recovery, infrastructure repair, insurance affordability and reduced household resilience. These costs should be recognised when assessing the broader productivity impacts of housing reform.

The Commission's best-practice framework should therefore make clear that a "build" mindset does not mean building irrespective of long-term risk. The objective should be to enable more housing in the right places: locations that are well serviced, connected and capable of remaining safe, resilient and liveable over the long term.

Recommendation 6

Focus the final report on implementation

ASBEC welcomes the Commission's intention to give greater attention in its final report to implementation, including responsibilities, dependencies, sequencing and risks.

This will be critical to the success of the reform agenda. Many of the challenges identified in the Interim Report arise not because governments lack objectives or strategies, but because responsibilities are fragmented across different levels of government, infrastructure providers, regulators and delivery agencies.

The final report should therefore provide a practical implementation framework that:

- identifies responsibility for key reforms across Commonwealth, state, territory and local governments
- clarifies the role of infrastructure providers and regulators
- identifies dependencies and sequencing requirements between housing, land-use and infrastructure decisions
- establishes transparent measures of progress and accountability
- supports greater consistency across jurisdictions where practical
- ensures governments, regulators and infrastructure providers have the institutional capability, workforce and resources required to implement reform effectively.

The Australian Government has an important role in supporting implementation through national policy coordination, infrastructure funding and incentives for nationally consistent reform.

Implementation arrangements should also reinforce alignment between housing policy and broader national infrastructure, urban, energy and climate policy.

ASBEC strongly supports the overall direction of the Interim Report and welcomes its recognition that Australia's housing supply challenge cannot be solved by planning approval reform alone.

The Commission's emphasis on land-use reform, strategic planning and better coordination of housing-enabling infrastructure provides a strong foundation for the final report.

The next step should be to translate these principles into practical implementation arrangements that enable more housing to progress from planning and approval to construction and completion.

In doing so, governments should ensure that housing growth is coordinated with infrastructure and electricity network investment, supports efficient electrification and delivers homes in locations that remain connected, resilient, liveable and productive over the long term.

Taken together, these reforms can help Australia deliver not simply more housing, but more sustainable, efficient and resilient communities.

ASBEC welcomes the opportunity to provide further detail on any of the points outlined above and look forward to a continued collaborative relationship with the Productivity Commission and other stakeholders as work progresses. Please do not hesitate to contact our Director of Policy and Advocacy, Alison Cleary, at [Redacted] if you have any questions.

Yours Sincerely

Alison Scotland
Chief Executive Officer