



POST-INTERIM SUBMISSION

Productivity Commission Inquiry into Housing Supply Regulation Aligning Aviation Airspace Policy with Housing Supply

Unlocking more housing across Australia

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Submission in brief

Topic	Details
The invisible ceiling on housing supply	State housing policy identifies where growth should occur, but Commonwealth aviation controls can limit how much of that planned capacity is deliverable, particularly in well-located urban areas.
The missed opportunity from regulatory misalignment	Sydney's housing precincts and project pipeline demonstrate the need to integrate aviation safeguarding into strategic housing planning.
Stanmore Road case study	Specialist assessment indicates that a targeted review of existing flight procedures could safely enable an increase from the initial 65 m AHD aviation envelope to 86 m AHD, subject to detailed technical assessment and aviation approvals.
Bringing forward international aviation reform	The Commonwealth should consider bringing forward Australia's implementation of the revised International Civil Aviation Organization (ICAO) Obstacle Limitation Surfaces framework, where safely achievable, to unlock housing capacity ahead of the 2029 National Housing Accord target.
Recommendations and conclusion	Treat aviation safeguarding as part of Commonwealth housing delivery planning. Start with a Sydney metropolitan review, then apply the evidence and assessment framework nationally to support the National Housing Accord.

1. Executive Summary

The NSW Government has committed to substantially increasing housing supply through broader planning reform, particularly in well-located and transport-connected areas. However, planning controls may create housing capacity on paper while aviation airspace constraints can prevent that capacity from being realised, particularly in inner metropolitan locations where additional housing is most needed.

Development can be affected by a range of aviation safeguarding controls, including OLS, Terminal Instrument Flight Procedure Obstacle Protection surfaces (TIFPOPs), protected flight procedures and temporary crane restrictions. These controls operate separately from the State government planning system and can constrain building height, development yield and constructability.

Importantly, aviation constraints do not always represent fixed development ceilings. Some are fundamental to safe airport operations, while others may allow controlled penetration, technical assessment or modification of existing flight procedures. Conquest's Stanmore project case study demonstrates that detailed aeronautical assessment can identify materially greater development capacity than the initial aviation-compliant envelope, while maintaining aviation safety.

Conquest therefore recommends a coordinated Commonwealth and State review of aviation constraints affecting housing growth across Australia, bringing together aviation authorities, planning agencies and industry. The objective is not to reduce aviation safety standards, but to identify which constraints are operationally essential and where contemporary technology, procedures or approval pathways may safely unlock additional housing capacity.

Recommendations

1. **Strategic airspace and housing review:** Undertake a Commonwealth-led review of aviation constraints affecting housing growth and identify opportunities to safely unlock additional capacity.
2. **Earlier implementation of international reform:** Investigate bringing forward implementation of the revised ICAO OLS framework, where safely achievable, to support National Housing Accord delivery.
3. **Contemporary operational assessment:** Review whether existing protected surfaces and flight procedures remain appropriately calibrated to contemporary aircraft performance, navigation technology and operational requirements.
4. **Government and industry collaboration:** Establish a standing coordination mechanism involving Commonwealth and State agencies, aviation authorities, airport operators and the development and construction communities.
5. **Transparent assessment and decision-making:** Establish clear pathways for airspace and flight-procedure assessments, with published criteria, defined responsibilities, service standards and written reasons.
6. **Practical construction and crane access:** Assess permanent building heights and temporary crane requirements together, with coordinated consideration of safe construction methods and operating conditions.

2. The Invisible Ceiling on Housing Supply

Housing supply is commonly considered through three core inputs: land availability, planning capacity and development feasibility. In parts of Sydney, however, there is a fourth constraint: protected aviation airspace.

This creates a fundamental disconnect between planned housing capacity and deliverable housing capacity. A site may be strategically identified for higher density, located close to existing transport and infrastructure, and capable of supporting additional development, yet the built form contemplated by the planning framework may not be achievable because of aviation requirements operating independently of that framework.

The issue extends beyond any single aviation surface. Development across Sydney can be affected by OLS, TIFPOPs, protected approach and departure procedures, and restrictions associated with construction cranes. These controls perform different functions and have different assessment and approval pathways. Some represent necessary operational limits, while others may be capable of penetration, technical assessment or optimisation while maintaining aviation safety.

The consequence for housing policy is significant. Increasing statutory height or density does not necessarily increase housing supply if the additional development envelope cannot ultimately be used. Where aviation

constraints are not considered as part of strategic planning, there is a risk that governments count housing capacity that is technically permitted by the planning system but cannot practically be delivered.

Sydney provides a practical starting point for examining the intersection of aviation safeguarding, established urban areas and housing growth around transport. The map shows selected policy precincts and centres against Sydney Airport surface geometry. It illustrates the need for coordinated assessment; it does not measure housing lost to aviation controls.

The map adds project locations to this strategic picture. It plots selected HDA-pathway and other SSD housing projects alongside TOD precincts, housing-growth areas and strategic centres, showing where planned development and aviation protection surfaces overlap. These locations provide a starting point for testing whether technical review could safely enable greater building height and housing capacity on sites already progressing through the planning system. Each opportunity would require site-specific aviation, planning and construction assessment.

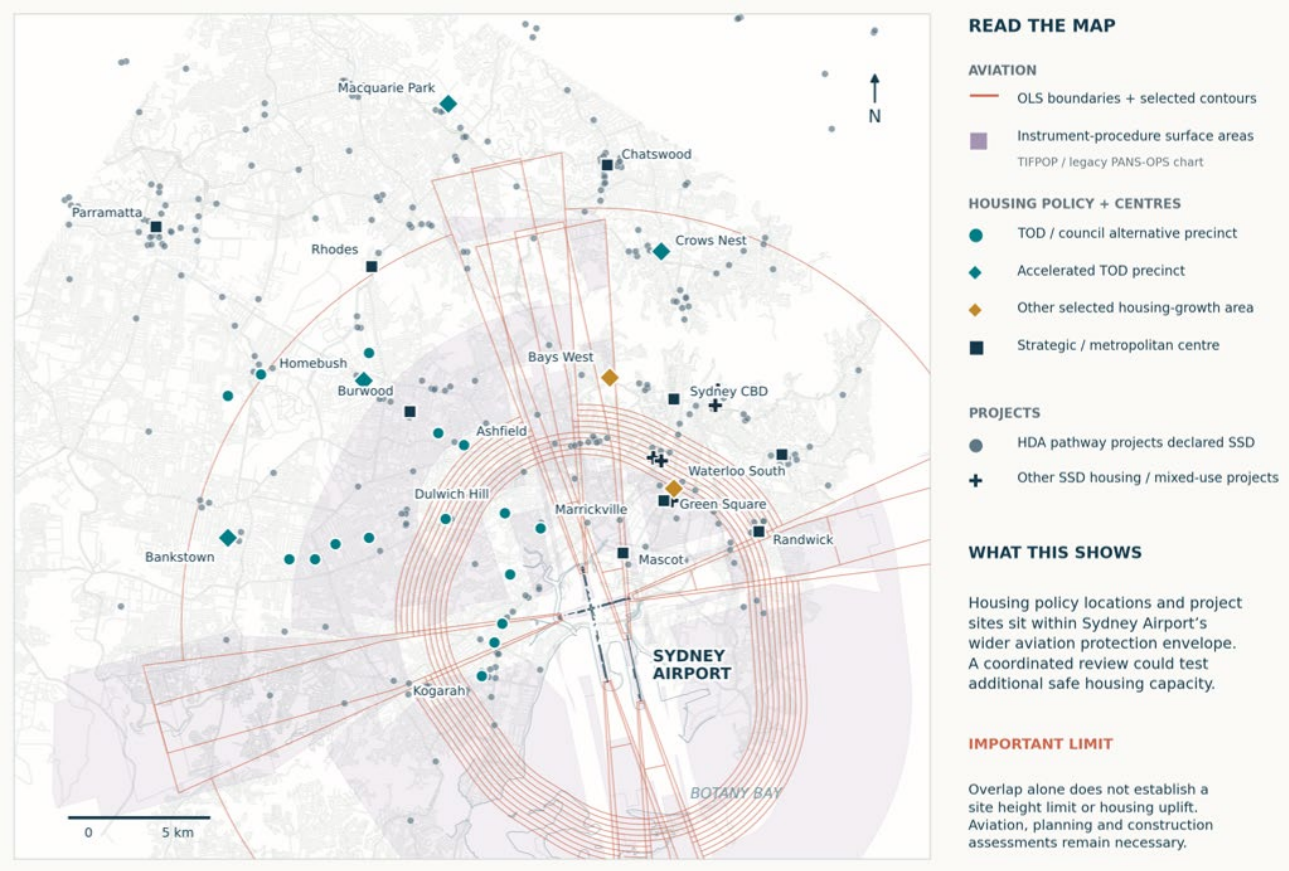


Figure 1: Sydney case study

3. The Missed Opportunity from Regulatory Misalignment

The regulatory concern is not simply that developers may prefer taller buildings. It is that two legitimate regulatory systems can produce inconsistent signals about what housing capacity is deliverable.

Regulatory effect	Potential housing / productivity consequence
Planning envelope exceeds aviation envelope	Zoned or strategically planned housing capacity may not be realistically deliverable.
Constraint identified after design has advanced	Redesign, consultant cost, delay and reduced investment certainty.
Material loss of height or yield	Fewer dwellings and potentially weaker project feasibility.
Repeated project-specific assessment	Multiple proponents can incur cost assessing the same underlying airspace or procedure constraint.

Separate crane / temporary penetration requirements	A permanent building envelope may be supportable while construction methodology remains constrained.
No strategic coordination point	State housing objectives, Commonwealth aviation regulation and project delivery can be considered in parallel rather than together.

Aviation safeguarding constraints are not unique to Sydney. Major airports across Australia are surrounded by established urban areas and locations identified for future housing growth. The interaction between protected airspace and planning policy should therefore be considered as a national housing-supply issue, rather than through individual development applications or jurisdictions.

3.1 Aviation constraints affecting housing and development delivery

These project examples identify opportunities to improve aviation approval certainty and assess additional housing capacity where greater height can be safely accommodated.

Location / project	Aviation issue	Impact on Housing Capacity
Stanmore Road, NSW Conquest	An initial 65 m AHD aviation envelope constrained building height, endorsed by HDA. Specialist assessment identified potential for up to 86 m AHD, subject to flight-procedure changes, aviation approvals and crane access.	The potential 21 m uplift could enable additional homes on an HDA-endorsed site. Stanmore demonstrates the opportunity to unlock housing through coordinated aviation review, subject to safety, planning and construction requirements.
St Peters, NSW Coronation	Construction of upper floors requires mobile cranes to enter protected flight-procedure airspace during Sydney Airport's curfew. Weekly airport permits are required in addition to aviation approvals.	Short permit periods create uncertainty over crane access and may extend construction. Predictable access arrangements would help projects deliver their permissible building height.
Hurstville, NSW Landmark	Building height is constrained by obstacle limitation and flight-procedure protection surfaces. Potential uplift from revised obstacle limitation criteria may also require updated flight-procedure surfaces and transition arrangements ahead of November 2030.	A coordinated transition could allow additional height and housing capacity to be assessed within the project's design and approval timetable, subject to aviation safety and other planning requirements.

In response to these shared challenges, we are participating in the Housing and Aerospace Planning Association (HAAPA), an independent industry association bringing together property, planning, aviation and engineering expertise. HAAPA is working to develop an evidence base for targeted reform of protected airspace controls, identify opportunities to unlock additional housing on well-located land, and propose clearer, more predictable approval pathways. Its objective is to support the National Housing Accord by aligning aviation protection with contemporary operational requirements and housing needs, without compromising aviation safety.

4. Stanmore Road project case study

Conquest commissioned Global Airspace Solutions (GAS) to undertake a detailed aeronautical assessment of its proposed development at 58–76 Stanmore Road, Stanmore, approximately 5.2 km north of Sydney Airport. The preliminary development envelope was limited to 65 m AHD, reflecting the existing aviation constraints affecting the site.

The assessment identified that the current OLS take-off climb surface is approximately 65 m AHD over part of the site. However, GAS found that the relevant instrument flight procedure protection surfaces would allow development to 77.4 m AHD under the current TIFPOP arrangements, with potential technical modifications to the relevant flight procedures providing a pathway to 86 m AHD.

Importantly, GAS identified the 86 m AHD RWY 34L departure Obstacle Identification Surface as the ultimate operational constraint, which it considers necessary to maintain unrestricted aircraft operations. This means

the assessment is not proposing the removal of aviation safeguards. Rather, it demonstrates that the existing 65 m AHD OLS does not necessarily represent the maximum development capacity that could safely be accommodated.

Assessment scenario	Elevation	Status and significance
Initial development envelope	65 m AHD	Reflects the OLS take off climb surface identified over part of the site in the project advice.
Existing instrument procedure assessment	77.4 m AHD	Identified by GAS under current TIFPOP arrangements. This does not itself authorise an OLS intrusion or establish an approved building envelope.
Potential procedure modification	86 m AHD	Identified by GAS as a potential outcome requiring technical changes and relevant approvals. GAS identifies the RWY 34L departure Obstacle Identification Surface at this elevation as the ultimate operational constraint for its assessment.

The Stanmore case demonstrates how detailed technical assessment and targeted optimisation of aviation procedures can potentially unlock materially greater housing capacity while maintaining aviation safety. Any such changes would remain subject to assessment and approval by the relevant aviation authorities.

5. Bringing forward international aviation reform

International aviation standards are already moving toward a more contemporary approach to protecting airport airspace. In April 2025, ICAO introduced revised Obstacle Limitation Surface (OLS) standards. ICAO has established a transition period through to 21 November 2030 for implementation of the revised standards.

The revised framework better distinguishes between surfaces that must remain obstacle-free and those where obstacles may be permitted subject to appropriate assessment. As demonstrated by the Stanmore case study, this distinction has the potential to materially affect development capacity in locations currently constrained by legacy OLS requirements. The GAS assessment notes that the revised ICAO framework reflects modern aircraft performance and avionics and may enable greater building heights while maintaining aviation safety.

This reform is particularly relevant to Australia's housing challenge. NSW remains committed to delivering 377,000 well-located homes by June 2029 under the National Housing Accord. However, current forecasts indicate that NSW may not achieve this level of delivery until March 2032.

Conquest recommends that the Commonwealth investigate opportunities to bring forward Australia's implementation of the revised ICAO OLS framework, particularly in strategic housing growth areas where existing aviation controls constrain otherwise planned development capacity. Rather than waiting until the 2030 international implementation deadline, early adoption or targeted application could form part of the regulatory reforms required to accelerate well-located housing supply and reduce the growing gap between Australia's housing targets and forecast delivery.

6. Recommendations

6.1 Strategic airspace and housing review

The Commonwealth should lead a review of aviation constraints affecting nationally significant housing growth areas. It should map relevant protected surfaces and procedures against housing priorities, quantify affected capacity and distinguish essential operational limits from constraints potentially capable of technical optimisation. Sydney should provide an initial metropolitan case study.

6.2 Earlier implementation of international reform

The Commonwealth should investigate opportunities to bring forward implementation of the revised ICAO OLS framework ahead of its international applicability date, where safely achievable. Priority should be given to areas where reform could support housing delivery, with clear transition arrangements for projects already progressing through planning and aviation assessments.

6.3 Contemporary operational assessment

The review should test whether existing protected surfaces and flight procedures remain appropriately calibrated to contemporary aircraft performance, navigation technology and airport operations. Any proposed changes should be supported by technical evidence and demonstrate that aviation safety and operational requirements can be maintained.

6.4 Government and industry collaboration

A standing coordination mechanism should bring together DITRDCSA, Airservices Australia, CASA, relevant airport operators, State planning agencies and development and construction representatives. It should support early joint engagement, identify practical solutions and resolve recurring approval barriers.

Participant	Role	Proposed output
Commonwealth / DITRDCSA	Lead strategic review, governance and coordinated engagement with proponents.	Published criteria, service standards, written reasons and clear referral and escalation pathways.
Airservices Australia	Assess instrument procedures, navigation and operational implications.	Technical identification of fixed and potentially reviewable constraints.
CASA	Independent aviation-safety oversight.	Safety criteria and assurance.
Airport Operators	Airport safeguarding and operational input.	Airport-specific operational requirements and planning interface.
NSW Government / DPHI	Integrate aviation constraints into strategic housing planning.	Alignment between planned capacity and deliverable capacity.
Industry / technical advisers	Provide project evidence, yield impacts and constructability data; participate in joint assessments and the industry forum.	Case studies, quantified impacts and practical testing of reforms.

6.5 Transparent assessment and decision-making

Proponents should have a clear pathway to seek assessment of technically justified airspace or flight-procedure changes. This should identify evidence requirements, assessment criteria, responsible agencies and decision stages. Published service standards, regular progress updates, written reasons and an accessible escalation process would improve certainty while preserving independent regulatory decisions.

6.6 Practical construction and crane access

Permanent building heights and temporary crane requirements should be assessed together so that an otherwise supportable development can be practically constructed. Agencies and proponents should jointly consider crane heights, construction staging, operating windows and other risk controls, where permitted, to identify safe and workable construction arrangements.

7. Conclusion

Delivering the National Housing Accord requires a clearer relationship between housing ambition and the regulatory conditions that determine what can be built. Aviation safeguarding is one part of that relationship and warrants national attention where it materially affects housing growth.

Conquest does not advocate compromising aviation safety. It seeks a coordinated, evidence-based review of whether current airspace settings and procedures remain appropriately calibrated to contemporary aviation operations, and whether the regulatory interface can be improved so that housing, transport and aviation planning operate as one metropolitan system rather than separate approval silos.

Sydney provides a useful metropolitan pilot and Stanmore provides a concrete project example. Together, they support a Commonwealth led program of strategic mapping, coordinated assessment, transparent procedure review and timely consideration of international reform. The objective is greater certainty about the housing that can safely and practically be delivered, while protecting airport operations and aviation safety.