

Housing supply regulation

*Submission to the
Productivity Commission Inquiry*

September 2026



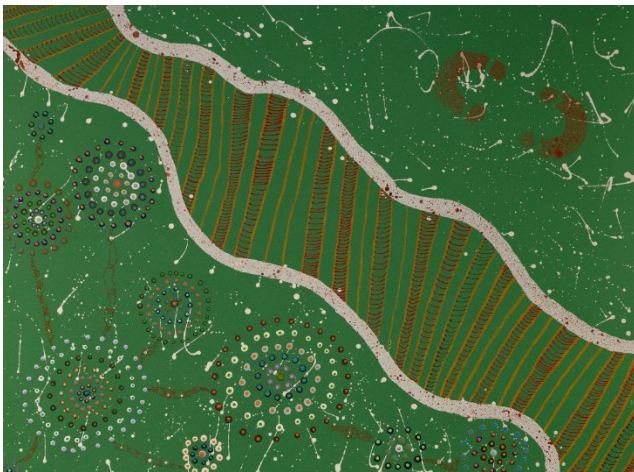
Key Urbis contributors:

Partner	Mark Dawson
Director	Evan Granger Siân Morgan
Associate Director	Suyash Pareek
Senior Consultant	Kasey Zhai
Consultant	Matthew Bennett Hayden Chan

Acknowledgment of Country

Urbis acknowledges the Traditional Custodians of the lands we operate on. We recognise that First Nations sovereignty was never ceded and respect First Nations peoples continuing connection to these lands, waterways and ecosystems for over 60,000 years. We pay our respects to First Nations Elders, past and present.

Urbis is committed to incorporating our respect for First Nations cultures, peoples and storytelling in our work across the Country. We are proud to have partnered with Darug Nation artist, **Hayley Pigram**, and to profile her artwork – **Sacred River Dreaming**.



The river is the symbol of the Dreaming and the journey of life. The circles and lines represent people meeting and connections across time and space. When we are working in different places, we can still be connected and work towards the same goal.

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Productivity Commission Housing supply regulation inquiry
Urbis submission

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Introduction

Urbis welcomes the opportunity to provide a submission in response to the Productivity Commission's Housing supply regulation – interim report.

Urbis is one of Australia's leading city shaping and property advisory firms. We work nationally across urban planning, economics and property, design, sustainability and advisory. Our teams are involved throughout the housing development lifecycle, from housing market analysis, portfolio and acquisition advisory, strategic land use planning and rezoning through to development approvals, infrastructure planning, project delivery, and property management.

Collectively, this work provides us with a unique perspective on the opportunities and challenges associated with housing delivery across Australia's planning and regulatory systems. We work with Commonwealth, State and local governments, private sector developers, institutional investors, and housing providers, giving us direct insight into the factors that enable or constrain the delivery of new housing supply.

Urbis strongly supports the Commission's focus on improving housing outcomes for Australians. A fundamental human right, housing is also key to economic productivity, workforce participation, social inclusion and individual wellbeing. While housing affordability and supply challenges are often discussed in terms of market outcomes, they are also influenced by the effectiveness of the planning, infrastructure and regulatory systems that determine where, when and how housing can be delivered.

The Interim Report appropriately recognises that housing supply challenges are multi-faceted and cannot be attributed to any single cause. Many of these causes are notably excluded from consideration of this Inquiry. Urbis acknowledges Treasurer Chalmers' Terms of Reference for the inquiry, which focuses the Commission's analysis on planning, development assessment and broader regulatory settings, while excluding other important housing policy levers, such as taxation settings, financing arrangements, and the National Construction Code. These issues undoubtedly influence housing outcomes, and there is value in considering them further as part of future inquiries. However, although planning alone cannot resolve housing affordability challenges, it remains a key determinant of housing supply and should be recognised as an important part of the solution.

The Commission identifies the substantial growth of house prices over the last two decades as a key issue; an issue that is disproportionately affecting younger Australians. As noted within the Interim Report, Australia's housing market is driven by private investment where commercial feasibility underpins housing supply. While seemingly at odds, commercial feasibility and housing affordability can both flourish when costs (e.g. land, labour, materials, finance) are low. In the current market, however, both have suffered from recent escalations in costs. This has made development less feasible, limiting new supply and consequently putting upward pressure on the cost of housing. It is noted that in circumstances such as this, increasing the supply of social housing is a crucial lever to support the lowest end of the housing market which the Interim Report appropriately acknowledges.

In our view, one of the most valuable contributions of the Interim Report is its recognition that improving housing outcomes requires more than simply identifying additional land for housing or setting ambitious housing targets. The effectiveness of Australia's housing system is ultimately determined by the cumulative operation of planning controls, infrastructure planning, development assessment processes, and regulatory decision-making. Reforms that improve simplicity, certainty, proportionality and timeliness throughout these systems have the potential to materially improve housing supply outcomes.

Throughout our submission, we have considered the balance that planning needs to achieve, noting its role in regulating land use and built form outcomes while also supporting investment attractiveness and development feasibility. The relaxation of regulations and design requirements may deliver economic benefits, but potentially at the expense of resident safety, physical and mental health, sustainability and long-term liveability. It is therefore important to recognise that these outcomes can themselves have significant implications for productivity, a connection acknowledged within the Interim Report.

The Interim Report recognises that a best-practice housing regulatory system should:

- Adopt a 'build' mindset
- Only regulate where necessary
- Coordinate with infrastructure
- Keep the process simple.

These principles provide a useful framework for assessing whether planning and regulatory systems are supporting or constraining housing delivery. In the context of the four principles, the Commission has explored the following topics:

- Unlocking more homes through better land-use regulation
- Reducing the burden of approvals
- Delivering housing-enabling infrastructure.

Our submission is structured around these three topics. For each topic, we outline areas of support, identify issues observed through our experience across Australian jurisdictions, and provide recommendations that we believe would improve housing supply, affordability and construction productivity outcomes.

Our submission concludes with a consolidated set of recommendations for the Commission's consideration.

1 Unlocking more homes through better land use regulation

1 Unlocking more homes through better land use regulation

Key messages

- Planning reform should be informed by a robust understanding of housing demand, capacity for new housing, and the likelihood of delivery. Zoned capacity alone is an incomplete measure of housing supply and should not be relied upon when assessing housing outcomes.
- Governments should adopt consistent approaches to measuring and publicly reporting housing capacity, demand and delivery. This will support more targeted and effective reforms.
- Residential design standards play an important role in protecting housing quality and amenity. Reform should focus on reducing complexity, improving consistency and increasing certainty, while retaining standards that deliver demonstrable benefits for residents.

1.1 Evidence based decision making

The Commission identifies reform of land-use controls as an important means of increasing housing supply and advocates that decision-makers adopt a 'build' mindset where the location and form of development is only restricted where the benefits clearly outweigh the costs, including the impact on housing supply and affordability. It is important to note that while planning controls can directly affect housing delivery, they also play a role in protecting the health and safety of communities and support the amenity and liveability of the built environment.

Reform should therefore balance the provision of an enabling regulatory framework that supports increased housing delivery in appropriate locations, with the need to protect environmental and social values that are important to communities. This will require a robust evidence base so that regulators and decision-makers can accurately assess the full costs and benefits of planning decisions.

The Commission's distinction between zoned capacity and commercially feasible capacity is important as not all capacity enabled by planning controls will result in housing development. Commercial feasibility, infrastructure and servicing constraints, and other planning controls may all limit the construction of new homes. These factors should be well understood to ensure reform can prioritise enabling capacity in locations where housing supply is most appropriately located and where there is a reasonable likelihood of being delivered. The Interim Report illustrates this distinction through Victoria's Train and Tram Activity Centre Program. It is estimated that the Program increased zoned capacity by 600,000 dwellings, but that only about 110,000 were commercially feasible at the time that the capacity was modelled in 2025.¹ This example demonstrates that zoned capacity should not be equated with likely housing supply and highlights the importance of reporting the relationship between zoned capacity, commercial feasibility and likely delivery. In many locations, the amount of zoned capacity required to influence housing affordability outcomes will need to significantly exceed projected housing demand, reflecting the gap that often exists between theoretical and deliverable capacity.²

¹ *More homes, better cities: letting more people live where they want*, Grattan Institute, November 2025

² *Ibid.*, p. 35

We support the Commission's proposed land measure, which distinguishes zoned land from land that is serviced, approved, infrastructure-ready and commercially feasible.³ When considered alongside projected housing demand, this measure would provide a more reliable basis for determining whether planning frameworks provide sufficient capacity, or whether further changes to planning schemes or codes are required.

Recommendation 1.1: Establish a nationally consistent framework for measuring housing capacity

Governments should develop a consistent methodology for measuring housing capacity that distinguishes between land that is zoned for residential purposes and land that is serviced, infrastructure-ready and commercially feasible to develop.

Capacity reporting should clearly distinguish between housing that is theoretically enabled by planning controls and housing that has a reasonable prospect of being delivered.

The Interim Report recognises that Australia has not built enough housing in the places where people want to live and work. It also acknowledges that housing should reflect the tenure, housing type and location preferences of Australians. These findings support incorporating demand analysis in the evaluation of planning controls for the purpose of increasing housing capacity and supply. Initiatives that seek to enable increased housing capacity should also be supported by an understanding of where people are likely to live and the housing types that will be required to meet their needs.

Numerous factors that influence housing demand fall outside the scope of the Commission's inquiry. While it is recognised that the inquiry must necessarily be focused, an understanding of current and future housing demand is fundamental to the design of effective planning and regulatory reforms. Without this understanding, there is a risk that additional housing capacity is provided in locations or forms that do not align with market demand or community needs. Further analysis of Australia's current and future housing demand would therefore provide an important foundation for identifying and prioritising reforms that support housing supply.

Recommendation 1.2: Integrate housing demand analysis into capacity assessments

Housing capacity assessments should be supported by evidence of existing and projected demand, including where housing is likely to be required and the types of housing required to meet the present and future interests of the community.

Demand analysis should consider population and household growth, changes in household composition, demand for different dwelling types, and demand for locations with access to employment, services, infrastructure and amenities.

Planning reform should be underpinned by a clear and consistent evidence base that identifies the amount of housing capacity required, the most appropriate locations for future growth, the housing types needed to meet community demand, and the feasibility of delivering that growth. Such an approach will help ensure that planning reforms are both effective and proportionate, with a clear understanding of the costs, benefits and trade-offs associated with regulatory change. Consistent and transparent reporting of housing capacity, projected demand and actual delivery outcomes would provide an important mechanism for evaluating the effectiveness of those reforms over time and identifying where further intervention is required. This, in turn, will

³ Interim Report, Information Request 2.2

support a more meaningful implementation of a 'build mindset', enabling increased housing supply while maintaining broader community, productivity and liveability outcomes.

Recommendation 1.3: Publicly report on housing supply capacity and delivery

Governments should regularly report on key housing supply metrics, including zoned capacity, serviced land, infrastructure-ready land, approved dwellings and commercially feasible capacity.

Reporting should be undertaken consistently across jurisdictions and presented alongside projected housing demand to enable a clearer understanding of whether planning systems are providing sufficient deliverable housing capacity to meet future needs.

1.2 Impact of design regulations

Design regulations play an important role in improving the quality, functionality and liveability of new homes. Across Australia, residential design standards have been incorporated into the approval process, with developments generally needing to demonstrate compliance with applicable standards, objectives, or codes.

Examples of such regulations include the Clause 54, 55, 57, and 58 assessments in Victoria (ResCode and Better Apartment Design Standards), the Apartment Design Guide in New South Wales, or Western Australia's Residential Design Codes. These frameworks typically include standards relating to setbacks, overlooking, overshadowing, landscaping, private open space, accessibility, internal layouts, and communal facilities. These provisions generally seek to ensure that new housing provides adequate amenity for occupants, protects neighbouring properties from unreasonable impacts, and positively contributes to neighbourhood character and urban design outcomes.

Decades of incremental reform have created an increasingly complex planning framework for residential development across Australia. Objectives, standards, decision guidelines, local policies, neighbourhood character provisions, overlays and zone requirements have often been layered on top of one another, resulting in assessment processes that can be difficult to navigate and, at times, contain competing policy expectations. The effort required to demonstrate compliance can be disproportionate to the scale and impacts of a proposal, increasing costs and delays for applicants. As a result, even relatively minor developments with negligible amenity impacts frequently require specialist planning advice to navigate the approval process.

Many planning frameworks include provisions that are qualitative in nature or require judgement to be exercised by decision-makers. Such provisions are important planning tools, allowing applications to be assessed in light of their specific context and ensuring that outcomes respond appropriately to local conditions. Prescriptive standards alone cannot account for the diversity of sites, neighbourhoods and development circumstances encountered across Australia's cities and towns.

However, the application of subjective concepts such as neighbourhood character, visual bulk and design response can introduce a significant degree of uncertainty into the assessment process. These matters often afford scope for differing interpretations, increasing the likelihood of requests for further information, design changes, permit conditions or, in some cases, refusal. This can create additional costs and delays for applicants, particularly where concerns relate to subjective design judgements rather than demonstrable amenity impacts.

The risks associated with discretionary requirements frequently emerge after a project's initial feasibility assessment has been completed, affecting design outcomes, development yields and project viability. While larger developers may be better placed to absorb this uncertainty, it can have a disproportionate impact on smaller residential projects, individual landowners and families seeking to build or extend their homes, for whom the cost and complexity of navigating the planning system represents a more significant barrier.

Discretionary design controls are most effective when supported by constructive engagement between applicants and decision-makers. Through pre-application discussions, design workshops and iterative feedback, planning authorities can help improve development outcomes and resolve issues before they become barriers to approval. However, many planning authorities face significant resourcing pressures and are required to assess large volumes of applications within an increasingly demanding regulatory

environment. This can constrain opportunities for meaningful collaboration, with communication often limited to formal information requests and permit conditions. In these circumstances, discretionary requirements can contribute to greater uncertainty, delay and cost, reducing many of the benefits that discretionary assessment is intended to provide.

While these resourcing challenges contribute to delays and uncertainty within the assessment process, fast-track approval pathways demonstrate that more streamlined assessment processes are possible. By limiting assessment to a smaller number of clearly defined considerations, such pathways can reduce the time and effort required by both applicants and decision-makers.

The interaction between the VicSmart pathway and ResCode in Victoria provides one example. VicSmart identifies a limited set of standards focused on measurable amenity impacts and provides an expedited assessment process where compliance can be demonstrated. However, the effectiveness of this approach is diminished where standards rely on undefined terminology or are open to multiple interpretations. In these circumstances, discretion and uncertainty can be reintroduced into the assessment process, reducing many of the efficiency gains that fast-track pathways are intended to achieve.

As an example, across metropolitan Melbourne's 31 municipalities, Urbis regularly encounters differing interpretations of the same state-based planning standards and assessment requirements. This inconsistency can undermine confidence in the planning system and reduce certainty for applicants seeking to demonstrate compliance. While guidance documents are often prepared to support the interpretation of planning controls, they do not always carry statutory weight and may be applied inconsistently across jurisdictions.

As a result, applicants can face uncertainty as to whether a proposal that is considered compliant in one municipality will be viewed similarly in another. Where differing interpretations emerge late in the assessment process, projects may require substantial redesign after feasibility and concept design work has been completed. This can increase costs, delay delivery and affect project viability, particularly for smaller residential developments with limited capacity to absorb unexpected changes.

Notwithstanding these concerns, it is important to distinguish between issues arising from the administration of design controls and the value of the controls themselves. This distinction is important because a number of design requirements directly contribute to the quality, functionality and long-term liveability of housing. Minimum standards relating to dwelling size, bedroom dimensions, private open space and storage are intended to ensure that homes provide an acceptable standard of amenity for their occupants.

The Interim Report suggests that requirements of this nature may be difficult to justify where they do not demonstrably mitigate impacts on the broader community.⁴ However, this framing overlooks the fact that the residents who occupy new housing are themselves part of that broader community. The social and economic consequences of poor housing outcomes, including impacts on health, wellbeing, housing functionality and productivity, extend beyond the confines of individual dwellings.

While planning controls play an important role in managing the external impacts of development, it is less clear why their role should be limited to these outcomes alone. The Interim Report does not adequately explain why planning frameworks should be prevented from establishing minimum standards that contribute to the quality and functionality of housing for future residents, particularly where these standards seek to avoid well-understood adverse outcomes associated with poor residential design.

Ultimately, residential design standards represent a genuine attempt to improve housing quality, protect amenity and support the delivery of housing that remains functional and fit for purpose over the long term. These requirements have contributed to improved design outcomes and helped establish baseline expectations for residential development across Australia.

However, the effectiveness of these frameworks is often undermined by complexity, overlapping requirements and the reliance on subjective assessment criteria that can be interpreted differently by decision-makers. There is clear scope to simplify residential design controls, provide greater certainty through clearer and more objective standards, and strengthen guidance to support consistent application across jurisdictions.

⁴ Interim Report, Reform Direction 2.6, p. 9

In pursuing these reforms, care should be taken to distinguish between requirements that create unnecessary complexity and those that deliver demonstrable benefits for residents. A more efficient planning system should not come at the expense of design standards that improve the quality, functionality and long-term performance of Australia's housing stock.

Recommendation 1.4: Develop a stronger evidence base on the costs and benefits of residential design standards

Residential design standards impose costs on housing development, but they can also deliver significant benefits through improved health, wellbeing, housing functionality and long-term housing quality. Further research should be undertaken to better understand these impacts and inform future reform. This evidence base should support a balanced assessment of design standards, rather than focusing solely on their effect on development costs and housing supply.

Recommendation 1.5: Clarify the role and weighting of qualitative assessment criteria

Planning systems should provide clearer guidance on the role and weighting of qualitative considerations such as neighbourhood character and visual bulk. This guidance should support more consistent decision-making, reduce unnecessary uncertainty, and ensure subjective considerations remain proportionate to the impacts of a proposal.

Recommendation 1.6: Expand streamlined approval pathways for low-impact development

States should continue to identify opportunities to streamline the assessment of low-risk and low-impact proposals through fast-track approval pathways. Such pathways should rely on clear, objective and measurable standards to maximise certainty for applicants and decision-makers.

Recommendation 1.7: Retain and prioritise measurable design standards

Design standards that deliver demonstrable benefits for occupants, such as minimum dwelling sizes, private open space requirements and storage standards, should be retained. Where appropriate, qualitative requirements should be supported by objective and measurable standards to improve consistency, transparency and certainty in the assessment process.

Recommendation 1.8: Improve the consistency and interpretation of residential design standards

Governments should strengthen guidance supporting the interpretation of residential design standards and provide statutory definitions where appropriate. Guidance material should be capable of being updated efficiently to address ambiguity and support greater consistency in the application of planning controls across jurisdictions and decision-makers.

2

Reducing the burden of approvals

2 Reducing the burden of approvals

Key messages

- The Commission is right to emphasise a ‘build’ mindset, but achieving this requires more than planning reform. Housing supply objectives must be embedded in day-to-day regulatory and approval decisions across government.
- Decision-makers should be required to consider the housing impacts of their actions and whether policy objectives can be achieved through less burdensome alternatives.
- Approval processes should remain focused on matters that are material to the decision at hand, avoiding unnecessary information requests and delays.
- These reforms should be supported by transparent performance reporting to improve accountability and target resources where they will have the greatest impact on housing delivery.

2.1 Ensuring the ‘build’ mindset extends beyond policy and into decision-making

The Commission’s concept of a ‘build’ mindset is one of the most important themes emerging from the Interim Report. It recognises that governments cannot meaningfully improve housing supply outcomes through high-level policy commitments alone. Those commitments must ultimately be reflected in the decisions made throughout the planning and development process.

In Urbis’ experience, the burden of approvals is most acute in the planning system, particularly during the approval processes for rezoning, subdivision and housing development. These approvals are often discretionary, iterative and dependent on coordination between multiple decision-makers and referral authorities. By contrast, building and construction approvals tend to be more technical and codified, and are not generally the principal source of delay for major housing projects. As identified by the Commission, reform effort should therefore be focused on the planning approval stages that determine whether land can be brought to market and housing projects can proceed.

In practice, housing delivery is influenced by a wide range of actors including local councils, referral authorities, and State government departments. While each organisation is responsible for pursuing legitimate policy objectives, there is often no equivalent obligation to consider the implications of regulatory decisions for housing supply and affordability.

Housing development is (theoretically) a profit-generating use of land, while other policy objectives are typically ‘necessary burdens’ that represent costs to a private developer (e.g. setting land aside for biodiversity conservation or stormwater management). This results in an inherent bias – advocacy for increased housing yield can be (intentionally or subconsciously) demoted as a less-worthy policy objective on the basis that it is seen to benefit the stereotypical ‘greedy developer’. This mindset needs to be challenged – governments rely on the profitability of private development to deliver housing, which should not diminish the weight given to this objective in decision-making.

As the Commission has observed, individual regulators can develop a narrow focus on their particular area of responsibility. This can lead to risk-averse decision-making that prioritises the avoidance of adverse outcomes within a single policy domain, without sufficient consideration of the cumulative impacts on housing delivery. Viewed in isolation, many of these decisions may appear reasonable. However, when replicated across multiple agencies and approval processes, the result can be significant delay, cost and uncertainty for housing projects. This is often compounded by the timing and coordination of referrals. Formal engagement with relevant referral authorities is not required until the end of a rezoning process, meaning

issues that could have been identified, tested and resolved more proactively can instead emerge late in the process as unexpected barriers to progression. In Victoria, these challenges are further exacerbated by the limited power of coordinating bodies to enforce mandatory timeframes for referral responses, which can create additional delays, prolong uncertainty and make it more difficult to progress strategically supported housing proposals in a timely way.

Importantly, adopting a build mindset does not mean that housing delivery should automatically override environmental, heritage, cultural, or infrastructure considerations. These objectives remain critical to achieving well-planned and sustainable communities. The challenge is that housing supply is often treated as a broad policy aspiration that sits above the regulatory system, rather than as an objective that must be actively weighed in day-to-day decision-making.

If governments consider Australia's housing shortage to be a matter of national importance, then the objective of increasing housing supply should be explicitly incorporated into regulatory decision-making frameworks. Decision-makers should be expected to consider not only the policy outcome they are seeking to achieve, but also the implications of their decisions for housing delivery, project feasibility, and the timely provision of new housing stock.

The rezoning experience

This issue is particularly evident in strategic planning and rezoning processes, where there is often a disconnect between stated housing objectives and the practical operation of the approvals system. These processes determine whether land can be brought into the housing pipeline, yet they are commonly subject to long timeframes, repeated information requests, fragmented decision-making and poorly coordinated referral processes.

As indicated by the Department of Transport and Planning (DTP) in Victoria as part of the planning scheme amendment reforms, rezoning processes have experienced long timelines from inception to approval, with a planning scheme amendment taking an average of 433 business days to complete.

For example, it is not uncommon for a proposed residential rezoning to be supported in principle by strategic policy, government housing targets and broader growth objectives, yet become subject to successive requests for further technical investigations over an extended period. Each additional study may be justified when viewed independently. However, there is rarely any consideration of whether the cumulative burden of additional information requests is proportionate to the scale of the issue being examined, or whether the resulting delays are justified when weighed against the housing outcomes being deferred.

Case study: a premature request for design detail is delaying the delivery of new homes

As part of the preparation of a development plan for a town centre in Melbourne's north, Council has required the proponent to investigate and resolve detailed stormwater infrastructure matters before the plan can be approved. The issue relates to infrastructure that would not be delivered for many years and would ultimately be subject to separate approvals and detailed engineering assessment. Although there is general agreement that any associated risks can be appropriately managed through future permit and infrastructure planning processes, the requirement to resolve these matters upfront has become a precondition to unlocking the precinct for housing. This demonstrates how an understandable focus on eliminating risk can, in practice, undermine broader housing supply objectives.

In Victoria, this fragmentation is also evident where significant rezoning proposals are submitted to the Minister for Planning for assessment, while subsequent subdivision approvals associated with the same proposal return to the local council. This can leave approvals in a fragmented state, with different stages of the same project assessed by different decision-makers. The result is additional administrative burden, duplicated assessment effort and reduced clarity for proponents seeking to progress strategically supported housing proposals through to delivery.

Another common feature of rezoning processes is the absence of a clear mechanism for resolving competing policy objectives. Agencies are generally empowered to advocate strongly for outcomes within their area of responsibility, but there is often no equivalent obligation to consider the housing implications of their position. As land is successively allocated to drainage infrastructure, environmental protection, public open space, transport infrastructure and other competing requirements, the developable area available for housing steadily diminishes. While each decision may be justified on its own terms, housing supply is often the objective that yields when trade-offs are required. Unlike other policy outcomes, it frequently lacks a dedicated voice in the decision-making process seeking compromise, proportionality and balance.

Case study: diminishing returns in recent Victorian precinct structure plans

The gazettal of the Melton East Precinct Structure Plan in September 2026 illustrates the cumulative impact of competing policy objectives on housing outcomes. The precinct was planned to accommodate substantial new housing and employment growth, yet only 50.8 per cent of the precinct is identified as net developable area. The balance has been allocated to a range of important purposes, including conservation areas, flood-prone land, waterways and drainage reserves, major road infrastructure, public open space and associated bushfire protection measures. While each requirement may be justified on its own merits, their combined effect is to significantly reduce the land available for development. The outcome reflects a broader trend across Melbourne's growth areas, where successive planning requirements have progressively reduced net developable area, often without any explicit consideration of the resulting impact on housing supply and affordability.

The result is an approvals process that optimises for individual policy objectives, but not necessarily for housing delivery. Decisions that are justified in isolation can, when combined, substantially reduce housing capacity and undermine broader government objectives to increase housing supply.

2.2 Housing objectives should be embedded in regulatory decision-making

The Commission should recommend reforms that embed housing considerations throughout the development approvals system. While this stance will not require housing supply to prevail in every circumstance, it will require housing outcomes to be explicitly considered and balanced alongside other policy objectives. The following diagram illustrates how the land allocation mindset should shift.

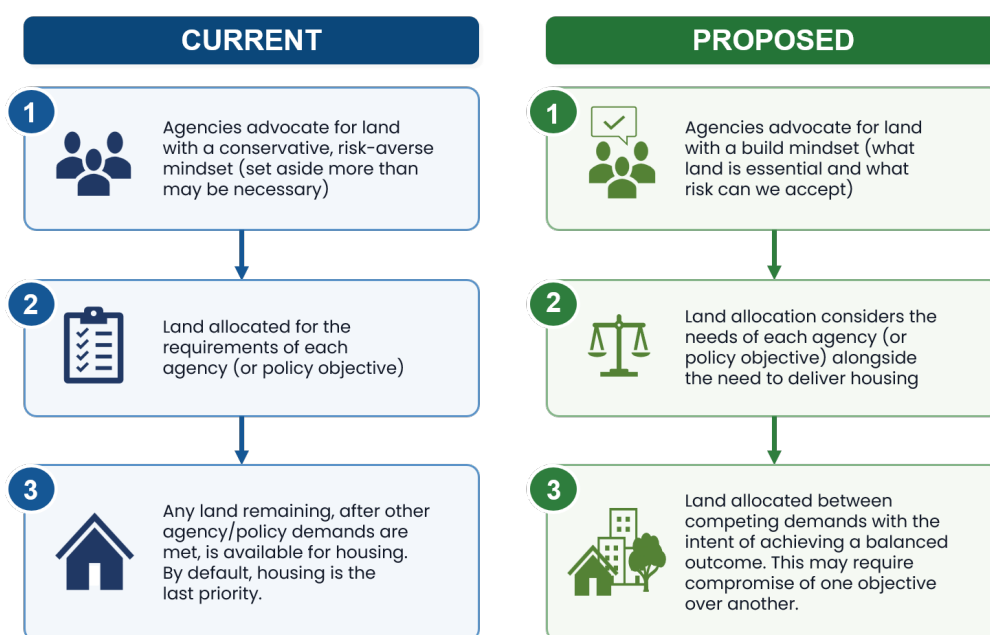


Figure 1 Allocation of land (site, precinct, etc) to meet policy objectives

Governments should examine ways to require referral authorities and statutory agencies to have regard to housing supply, housing affordability and delivery timeframes when exercising functions that affect residential development. Such an obligation would help ensure that housing objectives are not confined to strategic policy documents, but are reflected in the operational decisions that determine whether housing is ultimately delivered.

One practical way to achieve this would be through a simple obligation requiring relevant decision-makers to have regard to the likely housing impacts of their decisions before imposing additional requirements, refusing an approval, or seeking further information.

Such an obligation would be consistent with many existing statutory decision-making frameworks. It would not require housing supply to override other legitimate objectives, nor would it dictate the outcome of a particular decision. Rather, it would ensure that the implications for housing supply, affordability and delivery timeframes are consciously considered and recorded as part of the decision-making process.

For example, in exercising functions that affect residential development, decision-makers could be required to have regard to the likely impacts of their decisions on housing supply, housing affordability and housing delivery timeframes.

In practice, this would require a referral authority seeking further information, or a decision-maker considering a rezoning to identify whether its position would materially affect housing delivery and whether the same policy objective could reasonably be achieved through a less burdensome approach.

The final decision may still be the same. However, housing impacts could no longer be ignored or treated as a matter separate from the regulatory decision being made.

Recommendation 2.1: Introduce a housing impact and proportionality test across the approvals system

Referral authorities, infrastructure agencies and decision-makers should be required to consider the impacts of decisions on housing supply, affordability and delivery timeframes.

Recommendation 2.2: Require decision-makers to explicitly balance housing outcomes against competing objectives

Housing should not automatically prevail, but nor should it be treated as an aspirational objective divorced from operational decision-making.

2.3 Limit information requests to matters that are material to the decision being made

Planning systems throughout Australia are intentionally structured around a series of approval stages, with the level of detail increasing as a project progresses from strategic land use planning (e.g. rezoning exercises) through to subdivision, development approval, and detailed design. Problems arise when information and design detail typically associated with later approval stages is required at earlier decision-making gateways. In the case of large-scale housing projects, the initial stages of planning can be years, and in some cases decades, before homes are eventually constructed.

This issue is particularly evident in planning scheme amendment and rezoning processes, where applicants are increasingly required to provide levels of detail that extend well beyond the purpose of the decision under consideration. Matters that would ordinarily be addressed through a planning permit application, subdivision process, infrastructure agreement, or detailed engineering design are frequently brought forward in an

attempt to demonstrate that every conceivable issue has been resolved before a strategic planning decision is made.

While applicants are generally willing to engage constructively with authorities and address technical issues early, requiring these matters to be resolved in detail at the rezoning stage can result in applicants effectively undertaking the same work in multiple iterations. This is particularly inefficient where all parties understand that detailed design will inevitably be refined in response to market conditions, community needs, ownership arrangements, infrastructure timing and other factors that may change over the significant period between rezoning approval and the commencement of development.

While often motivated by a desire to reduce risk, this approach can create significant delays, increase project costs and place unnecessary burdens on housing projects. This can also create significant barriers to bringing land to market since it requires substantial financial resourcing to undertake detailed investigations that are not required early in the rezoning process. This initial investment and financial risk can deter less established developers from initiating a rezoning process. The effect is that strategic planning processes become increasingly slow, complex and resource intensive, despite growing recognition of the need to accelerate housing supply.

More importantly, it can also undermine the purpose of a staged planning system. The planning framework is intentionally designed around a series of decision-making gateways, each with its own role, statutory tests and level of detail. Requiring future design and delivery issues to be resolved prematurely blurs these distinctions and reduces the efficiency of the overall process.

A more effective approach is for decision-makers and referral agencies to focus on whether a proposal has demonstrated that a matter can be appropriately managed, rather than requiring applicants to conclusively resolve every issue before a project can progress. This requires greater confidence in the operation of the planning system and greater trust in the statutory mechanisms available at subsequent approval stages.

For example, as part of Victoria's recent planning scheme amendment reform, rezoning proposals are assessed under three separate streams classified based on impact. High-impact assessments will undergo rigorous testing through a planning panel hearing and extensive public consultation, while low-impact assessments will be exempt from these requirements, which is already allowed and widely utilised under the current framework at the Minister for Planning's discretion. Recent reforms that classify planning scheme amendments according to their likely impact are a positive step because they recognise that not all approvals require the same level of scrutiny, speeding up approvals for low-risk proposals. This would help avoid the current tendency for rezoning processes to become overloaded with matters that are more appropriately dealt with through subdivision permits, development approvals, infrastructure agreements or detailed design.

Deferring matters to later stages should not be viewed as allowing developers to avoid scrutiny or 'get away with' unresolved issues. Rather, it reflects the principle that issues should be assessed at the stage where the necessary information is available and where the decision-maker has the most appropriate tools to address them. In many cases, seeking detailed design responses years before they are required does not change the ultimate outcome. At best, it simply shifts cost, complexity and delay to an earlier approval gateway. At worst, it increases costs and time delays through:

- Testing multiple scenarios in the absence of a single confirmed outcome at the early planning stages
- Duplication of studies that are brought forward and prepared under one assumption, and then revised when assumptions change as detailed design progresses
- The repeat preparation of studies over the planning horizon in response to new or changing standards.

Requiring detailed information prematurely can also result in inefficient decision-making. At the rezoning or strategic planning stage, many aspects of a future development remain uncertain, including market conditions, infrastructure delivery timing, ownership structures, engineering solutions and even the ultimate development form. As a result, significant effort may be invested in preparing and assessing detailed information that becomes obsolete long before development occurs.

Seeking detailed design responses years before a project is delivered rarely improves outcomes. Instead, it can lead to resources being spent resolving hypothetical issues, preparing design work that will ultimately need to be revisited, and assessing information that is based on assumptions rather than settled project parameters. This can delay decisions on the strategic question that is actually before the decision-maker, while creating additional cost and complexity for all parties. The planning system is most effective when each approval stage focuses on the matters that are material to that particular decision, leaving later-stage questions to be addressed when better information is available and the decision-maker has more appropriate statutory tools at their disposal.

Recommendation 2.3: Limit information requests to matters that are material to the decision being made

Information requests should be proportionate and relate to matters that genuinely require further assessment.

2.4 Improve accountability and performance reporting

While legislation or regulations typically prescribe statutory timeframes for decision-making, these timeframes are regularly exceeded by both decision-makers and referral authorities. Delays are often treated as an accepted feature of the planning system, despite the significant impact they represent for project feasibility and housing affordability. Compounding the problem is the fact that performance information is often fragmented, difficult to access, or not reported in a way that enables meaningful comparison between jurisdictions, agencies or approval pathways.

As a result, there is limited transparency regarding which organisations are performing efficiently, where delays are occurring, or which parts of the system are acting as bottlenecks to housing delivery. This can make it difficult for governments, industry and the broader community to distinguish between systemic issues and isolated cases. More importantly, it limits the ability of governments to identify where targeted interventions, process improvements or additional resourcing may be required.

The Commission should consider recommending the establishment of consistent, nationally comparable performance reporting for decision-makers and referral authorities. This reporting should extend beyond statutory processing times and capture broader measures, such as responsiveness, approval timeframes, information requests, referral authority performance, and housing outcomes.

Greater transparency would also help create stronger accountability within planning systems. Public reporting and comparative benchmarking can be powerful drivers of organisational performance, particularly where results are easily understood by governments, industry and the community. Publishing performance 'league tables' may help focus attention on which agencies and councils are most effectively enabling housing delivery and which are experiencing persistent delays.

Importantly, better performance reporting is not simply about accountability. It is also a prerequisite for effective policy intervention. Governments cannot meaningfully address approval bottlenecks if they cannot clearly identify where those bottlenecks exist. Consistent reporting would provide a stronger evidence base for directing funding, resources and reform efforts towards those parts of the system experiencing the greatest demand or the poorest performance.

Recommendation 2.4: Improve accountability and performance reporting

Publish performance indicators for approval authorities and referral agencies that capture timeliness, responsiveness, and housing delivery outcomes.

Recommendation 2.5: Use performance data to target funding, resources and reform

Use planning performance data to identify approval bottlenecks and prioritise funding, resourcing and reform initiatives in the parts of the system where improvements will have the greatest impact on housing delivery.

3

Delivering housing- enabling infrastructure

3 Delivering housing-enabling infrastructure

Key messages

- Infrastructure funding and delivery challenges are often the primary reason housing supply is delayed.
- Governments should understand infrastructure needs, costs and funding responsibilities before land is rezoned.
- Infrastructure funding systems should support timely infrastructure delivery, not simply cost recovery.
- A nationally consistent infrastructure funding framework would improve transparency, funding certainty and the delivery of serviced land.

3.1 The current infrastructure funding model is not working

Housing supply cannot be separated from infrastructure delivery. Rezoning land does not create housing. Housing is delivered when land is serviced, infrastructure is funded, and development can proceed with confidence.

Across Australia, governments continue to rezone land without a clear understanding of the infrastructure required to support growth, how that infrastructure will be funded, and who ultimately bears the cost. This creates a disconnect between planning decisions and delivery outcomes. The result is well known: land is rezoned, expectations are established, land values escalate, and years later governments, councils, utilities and developers discover that the infrastructure funding pathway is incomplete or financially unviable.

The Commission rightly identifies that housing plans and infrastructure plans must work together. Urbis considers this issue fundamental. In most cases, infrastructure funding and delivery challenges are not secondary consequences of growth; they are the primary reason housing supply is delayed.

Two things are needed to fund and deliver infrastructure properly: better strategic infrastructure planning, so governments and authorities understand what is required before land is rezoned; and better infrastructure funding models, so infrastructure can be delivered when it is needed rather than after growth has already occurred.

Our submission makes recommendations to improve both. Together, they provide the basis for an alternative infrastructure funding system that could operate consistently across Australia.

The current system is failing to deliver infrastructure efficiently

While infrastructure contribution systems differ between jurisdictions across states and territories, they share common structural weaknesses:

- Infrastructure costs are often not fully understood before rezoning.
- Infrastructure delivery timeframes are poorly understood or not publicly visible.
- Contribution schemes can be announced after land transactions have occurred.
- Local councils are often expected to carry infrastructure risks despite limited revenue and borrowing capacity.
- Infrastructure contributions are frequently collected long after enabling infrastructure is required.

- Major regional infrastructure is increasingly being funded through mechanisms designed for local development servicing.
- Cost recovery models place disproportionate pressure on developers while inadequately capturing benefits received by landowners and future residents.

The Commission's discussion of infrastructure contributions focuses heavily on the principles of nexus, apportionment and cost allocation. While these principles remain important, they are ultimately a means to an end rather than an end in themselves. The success of an infrastructure funding system should not be judged by the technical precision of its contribution calculations, but by its ability to deliver infrastructure at the time and scale required to support growth. Infrastructure delivery outcomes should therefore be the primary measure of performance.

3.2 An alternative national infrastructure funding model

There is value in considering an entirely new funding model to resolve the litany of issues infrastructure delivery faces in each jurisdiction across Australia. The model would operate as a structured national framework, while still allowing each state to use its own legislation, contribution schemes, and budget processes.

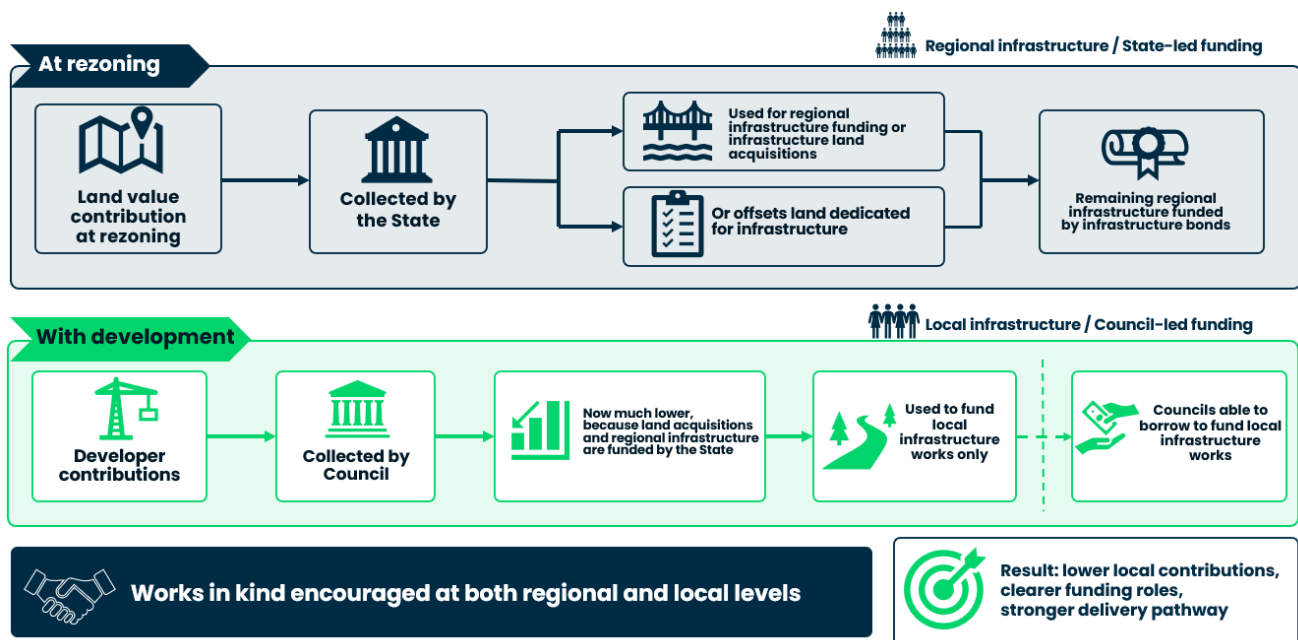


Figure 2 An alternative national infrastructure funding model

Urbis is under no illusion that such an approach would represent a significant reform effort. Developing a nationally consistent framework, securing intergovernmental alignment and transitioning from existing arrangements would require considerable time, coordination and political commitment. However, given the national importance of increasing housing supply and the persistent infrastructure delivery challenges confronting growth areas across Australia, the potential benefits warrant serious consideration.

Under this model, governments would first identify the infrastructure required to support growth, estimate its cost, distinguish between local and regional infrastructure, and identify the beneficiaries before land is rezoned. Funding responsibilities would then be allocated transparently between landowners, developers, councils, utilities and State or Federal governments. Long-life regional social and enabling infrastructure would be forward funded through state-managed financing tools, seed funding and local government borrowing, with contributions and value capture mechanisms used to repay or offset costs over time.

3.3 The reforms needed to make the model work

The alternative model requires six reforms, with each reform addressing a specific failure point in the current infrastructure funding chain.

Reform 1: Require an Infrastructure Cost Budget prior to rezoning land

The most significant reform should occur before land is rezoned. Urbis recommends that all major rezonings be supported by an **Infrastructure Cost Budget** prepared and publicly exhibited alongside the planning proposal. Elements of this approach already exist in parts of Australia. In Victoria, for example, major precinct structure planning and growth area rezonings are often accompanied by detailed infrastructure assessments, cost estimates and funding strategies. However, the scope, level of detail and degree of public transparency vary considerably between jurisdictions and projects. A nationally consistent expectation that infrastructure requirements, costs and funding responsibilities be clearly identified before rezoning would improve transparency, accountability and delivery outcomes.

An Infrastructure Cost Budget should identify:

- All infrastructure required to support development and the projected population
- Infrastructure costs based on contemporary planning and delivery assumptions
- Land acquisition requirements
- Anticipated delivery timing
- Proposed funding sources
- Any residual funding gap.

This reform would address a fundamental weakness within current planning systems. Too often, rezonings proceed without a complete understanding of delivery costs or funding responsibilities. Funding shortfalls are subsequently identified after rezoning has occurred, at which point infrastructure costs have increased, landowner expectations have crystallised, and viable delivery pathways become significantly harder to establish.

The preparation of an Infrastructure Cost Budget would improve transparency, strengthen infrastructure planning, and provide policymakers with a clearer understanding of whether growth can realistically be supported.

Recommendation 3.1: Require an Infrastructure Cost Budget prior to rezoning land

Ensure infrastructure requirements, costs, funding responsibilities, and delivery risks are understood before land is rezoned.

Reform 2: Require contributions to be exhibited alongside rezonings

Land markets function most efficiently when costs are known. Infrastructure contribution obligations should therefore be exhibited alongside rezoning proposals, including:

- Local infrastructure contributions
- Regional infrastructure charges
- Utility infrastructure charges
- Affordable housing contributions.

Contributions announced years after rezoning undermine market certainty and create unnecessary feasibility risks.

The Commission has acknowledged the interaction between infrastructure funding and development feasibility. Urbis agrees that contributions do not automatically flow through to housing prices. However, where contribution obligations remain uncertain during rezoning and land acquisition phases, transactions occur without complete information and landowner expectations can become disconnected from development feasibility. This uncertainty discourages transactions and delays housing delivery.

Recommendation 3.2: Exhibit all infrastructure contribution obligations concurrently with major rezonings

Improve market certainty by exhibiting all infrastructure contribution obligations alongside rezoning proposals.

Reform 3: Rebalance infrastructure funding through land value contributions

One of the most significant unresolved issues in infrastructure funding is the distribution of costs between beneficiaries. Landowners can receive substantial uplift through rezoning. However, many systems across Australia rely on infrastructure contributions being paid at the development stage rather than capturing a portion of that uplift when rezoning occurs. This has contributed to increasing pressure on local infrastructure contributions and growing challenges associated with funding the land acquisition required for public infrastructure.

It would be worthwhile considering land value contribution mechanisms for major rezoning areas. Victoria provides a useful illustration of both the opportunities and challenges associated with this approach. The recently introduced Windfall Gains Tax seeks to capture a substantial share of rezoning uplift, but the funds raised are directed to consolidated government revenue, making it difficult for landowners, developers and the broader community to understand how the value captured will support the future population of the area concerned. By contrast, the Growth Areas Infrastructure Contribution (GAIC) is more closely linked to infrastructure delivery in Melbourne's growth areas, with revenue required to be spent on state infrastructure that supports growth. These contrasting approaches demonstrate that the legitimacy of value capture mechanisms depends not only on the amount of value captured, but also on the transparency of how funds are used and the extent to which they support the communities that generate them.

Unlike traditional development contributions, land value contributions provide:

- Stronger alignment between value uplift and infrastructure funding
- Earlier funding availability
- Reduced reliance on development-stage contributions
- Lower exposure to escalating acquisition costs
- Fairer sharing of costs between landowners and developers.

The objective should not be to replicate previous models unchanged. Rather, governments should develop contemporary value capture mechanisms that draw on lessons from New South Wales, Victoria and international jurisdictions, while maintaining a clear and transparent connection between value capture and infrastructure delivery outcomes.

Recommendation 3.3: Explore a nationally consistent framework that enables land value contributions in areas subject to major rezonings

Better align infrastructure funding with rezoning value uplift and reduce reliance on development-stage contributions.

Reform 4: Stop relying on development contributions to fund long-life regional infrastructure

Current contribution systems are increasingly being asked to fund infrastructure that serves multiple development cycles and very large catchments. Examples include:

- Sub-arterial roads
- Wastewater treatment infrastructure
- Regional recreation and major community facilities
- Strategic transport infrastructure.

As these assets often serve hundreds of thousands of residents over many decades, Urbis questions whether development contributions are the appropriate funding mechanism. Development contributions are designed to recover infrastructure costs from the developments creating demand today. They are less suited to funding long-life regional infrastructure that will support future populations, facilitate growth well beyond the contributing area, and provide benefits across multiple generations of development.

Requiring initial development to bear a significant proportion of these costs creates an equity concern, places pressure on housing feasibility, and increases barriers to bringing new land to market. It can also result in infrastructure costs being concentrated on a relatively small group of initial beneficiaries, despite the asset ultimately serving a much broader community. In many respects, these assets resemble public investments that should be funded over time by the wider populations and economies that benefit from them.

Case study: West Dapto Western Ring Road

The West Dapto Western Ring Road project illustrates how a regional infrastructure obligation can migrate into a local development contributions plan.

The 2025 West Dapto Development Contributions Plan assigns approximately \$197 million to the Western Ring Road — around 11% of the entire \$1.81 billion infrastructure program and approximately 16% of all transport costs in the Plan.

Wollongong City Council describes the Western Ring Road and Northcliffe Drive connection as a regionally significant transport project that will provide the principal north-south connection through West Dapto, connect future town centres, provide flood-reliable access to the M1, and support the release of major housing and employment areas.

Under the former Illawarra-Shoalhaven Special Infrastructure Contribution (a regional infrastructure funding facility), the Western Ring Road formed part of the West Lake Illawarra Major Road Spine. Development was expected to fund approximately 10 per cent of the cost, with the remaining 90 per cent expected to come from broader government funding. That funding was never committed. Following replacement of the Special Infrastructure Contribution by the Housing and Productivity Contribution, the West Dapto Contributions Plan has continued to collect for the Western Ring Road.

A clearer distinction is therefore required between **local infrastructure** and **regional infrastructure**. Local infrastructure should continue to be funded substantially through development contributions. Regional infrastructure should increasingly be funded through broader public funding mechanisms and long-term financing arrangements.

Recommendation 3.4: Clearly define local and regional infrastructure funding responsibilities

Ensure development contributions are focused on local infrastructure, while long-life regional infrastructure is funded through broader public funding and long-term financing mechanisms that better reflect the distribution of benefits over time.

Reform 5: Expand use of infrastructure bonds and seed funding

A fundamental issue with contribution systems is timing: infrastructure is needed before development occurs, whereas contributions are generally collected at the time of development. This creates a recurring funding gap that many councils are unable to bridge.

The cycle is familiar:

1. Land is released
2. Infrastructure is unfunded
3. Development proceeds slowly
4. Contribution revenues remain low
5. Infrastructure delivery is delayed
6. Housing supply is constrained.

Breaking this cycle requires access to capital before contributions are collected.

Infrastructure bonds and similar financing mechanisms have been used successfully for major transport, water, social infrastructure and other long-life public assets. A relevant NSW precedent is the NSW Sustainability Bond Programme, established in 2018 and managed by NSW Treasury and TCorp. Under this model, TCorp issues green, social and sustainability bonds on behalf of the State, with net proceeds earmarked to eligible assets that deliver environmental and social outcomes.

Case study: NSW Sustainability Bond Programme

The NSW Sustainability Bond Programme demonstrates how long-term public infrastructure can be financed through established government borrowing and governance arrangements rather than ad hoc grants or local government balance sheets. The Programme is overseen by the NSW Sustainability Bond Committee and supported by a framework reviewed by Sustainalytics, with proceeds allocated to eligible assets across categories including clean transportation, sustainable water and wastewater management, access to essential services, affordable housing, and affordable basic infrastructure.

Relevant examples include the M1 Metro Northwest and Bankstown Line, light rail projects, Lower South Creek Treatment Program, Waterway Naturalisation and Stormwater Improvement, public school infrastructure, transport accessibility upgrades, social housing and national parks visitor infrastructure. These assets demonstrate that the Programme already accommodates infrastructure with long useful lives, public benefit, environmental outcomes and measurable reporting indicators.

Importantly, councils do not issue bonds, borrow directly from investors, or carry bond risk. Treasury and TCorp continue to issue and manage bonds through established governance, allocation and reporting arrangements. Councils instead gain access to more predictable, long-term capital funding aligned with asset life and repayment capacity, rather than relying on short-term grants or taking on significant upfront debt.

As at 30 June 2025, the Programme had \$11.9 billion of bonds on issue across four maturities, had raised \$11.2 billion in net proceeds, and its asset pool had increased by over \$15 billion to nearly \$27 billion in FY25.⁵

⁵ *New South Wales Sustainability Bond Programme: Annual Report 2025*, NSW Government (New South Wales Treasury Corporation), December 2025

This model is not a substitute for contributions, land value capture, or direct budget funding. Its value is in sequencing: it can help bring forward infrastructure that unlocks housing supply and serves communities over decades, with repayment pathways structured over the life of the asset, rather than being constrained by the timing of development contributions.

Similarly, state and federal governments should provide seed funding for critical enabling infrastructure in major growth areas, with opportunities for partial repayment as development proceeds.

Recommendation 3.5: Expand access to infrastructure bonds, seed funding and other financing mechanisms that bring forward enabling infrastructure

Unlock housing supply by providing upfront capital for critical infrastructure, with repayment structured over the life of the asset rather than being constrained by the timing of development contributions.

Reform 6: Improve local government forward funding capacity

The Commission has raised the possibility of deferring contribution payments until occupation. Urbis supports further investigation of this approach, provided councils are simultaneously given greater capacity to borrow against future contribution revenues.

Current borrowing frameworks often fail to recognise future income from infrastructure contributions when assessing debt capacity. This restricts councils' ability to deliver infrastructure ahead of development and exacerbates timing challenges.

Recognising forecast contribution revenue, subject to appropriate safeguards, would improve councils' ability to forward fund infrastructure and support housing delivery.

Recommendation 3.6: Improve local government access to forward funding for growth infrastructure

Allow forecast contributions income to be considered in local government debt capacity assessments and enable greater forward funding of infrastructure.

3.4 How the reforms support an alternative national infrastructure funding model

Taken together, the above reforms provide the foundation for a more coherent national infrastructure funding model. The model is a structured sequence of decisions that links rezoning, infrastructure planning, beneficiary funding and forward financing before growth occurs.

The benefit of the alternative model is that it directly addresses the weaknesses that prevent the current system from delivering serviced land at the pace required, as summarised in the following table.

Reform	Problem fixed	Role in the national model
1. Prepare an Infrastructure Cost Budget	Rezoning occurs before infrastructure needs and costs are understood.	Creates the evidence base before land is rezoned.
2. Contributions exhibited with rezoning	Land transacts before contribution obligations are known.	Builds cost transparency into land markets.
3. Explore land value contributions	Value uplift is captured too late or not at all; unequitable sharing of infrastructure costs.	Captures part of rezoning value to help fund infrastructure earlier; landowners directly responsible for paying the charge.
4. Local/regional funding split	Development contributions are stretched to fund regional assets.	Clearly defined regional and local infrastructure costs allocated to the right funding base.
5. Access to bonds and seed funding	Infrastructure is needed before contributions are collected.	Brings capital forward to unlock growth.
6. Local government forward funding	Councils cannot borrow against future contribution income.	Improves local delivery capacity with clearer repayment pathways.

Without coordinated reform, planning systems across Australia will continue to create theoretical housing capacity rather than serviced, development-ready land. Rezoning may create opportunities for growth, but housing is only delivered when the infrastructure required to support that growth is funded and provided at the right time. Housing supply reform and infrastructure reform must therefore proceed together.

The reforms outlined above provide the foundation for a more coherent national infrastructure funding model. Their common purpose is simple: to ensure infrastructure needs, costs, funding sources and delivery pathways are understood before growth occurs, not after. Moving from reactive cost recovery to planned infrastructure delivery would create a stronger link between rezoning decisions and housing outcomes, helping to convert planning capacity into new homes and communities.

4 Conclusion

4 Conclusion

Improving housing supply in Australia will require action across a range of policy fronts. Planning reform alone cannot resolve housing affordability challenges, but it remains a critical influence on where, when and how new housing can be delivered.

Improving housing supply outcomes requires more than a blanket relaxation of design standards or a reduction in planning 'red tape'. It requires a coordinated approach encompassing evidence-based strategic planning, clear and consistently applied planning provisions, accountability and performance monitoring, and the timely delivery of infrastructure. Reform that addresses these factors in a holistic manner is more likely to support the delivery of commercially feasible housing while improving supply, affordability and productivity outcomes.

We trust that the recommendations presented in this submission will assist the Commission in preparing its final report. A consolidated summary of recommendations is provided below.

Unlocking more homes through better land use regulation		
1.1	Establish a nationally consistent framework for measuring housing capacity	Governments should develop a consistent methodology for measuring housing capacity that distinguishes between land that is zoned for residential purposes and land that is serviced, infrastructure-ready and commercially feasible to develop. Capacity reporting should clearly distinguish between housing that is theoretically enabled by planning controls and housing that has a reasonable prospect of being delivered.
1.2	Integrate housing demand analysis into capacity assessments	Housing capacity assessments should be supported by evidence of existing and projected demand, including where housing is likely to be required and the types of housing required to meet the present and future interests of the community. Demand analysis should consider population and household growth, changes in household composition, demand for different dwelling types, and demand for locations with access to employment, services, infrastructure and amenities.
1.3	Publicly report on housing supply capacity and delivery	Governments should regularly report on key housing supply metrics, including zoned capacity, serviced land, infrastructure-ready land, approved dwellings and commercially feasible capacity. Reporting should be undertaken consistently across jurisdictions and presented alongside projected housing demand to enable a clearer understanding of whether planning systems are providing sufficient deliverable housing capacity to meet future needs.
1.4	Develop a stronger evidence base on the costs and benefits of residential design standards	Residential design standards impose costs on housing development, but they can also deliver significant benefits through improved health, wellbeing, housing functionality and long-term housing quality. Further research should be undertaken to better understand these impacts and inform future reform. This evidence base should support a balanced assessment of design standards, rather than focusing solely on their effect on development costs and housing supply.

1.5	Clarify the role and weighting of qualitative assessment criteria	Planning systems should provide clearer guidance on the role and weighting of qualitative considerations such as neighbourhood character and visual bulk. This guidance should support more consistent decision-making, reduce unnecessary uncertainty, and ensure subjective considerations remain proportionate to the impacts of a proposal.
1.6	Expand streamlined approval pathways for low-impact development	States should continue to identify opportunities to streamline the assessment of low-risk and low-impact proposals through fast-track approval pathways. Such pathways should rely on clear, objective and measurable standards to maximise certainty for applicants and decision-makers.
1.7	Retain and prioritise measurable design standards	Design standards that deliver demonstrable benefits for occupants, such as minimum dwelling sizes, private open space requirements and storage standards, should be retained. Where appropriate, qualitative requirements should be supported by objective and measurable standards to improve consistency, transparency and certainty in the assessment process.
1.8	Improve the consistency and interpretation of residential design standards	Governments should strengthen guidance supporting the interpretation of residential design standards and provide statutory definitions where appropriate. Guidance material should be capable of being updated efficiently to address ambiguity and support greater consistency in the application of planning controls across jurisdictions and decision-makers.

Reducing the burden of approvals		
2.1	Introduce a housing impact and proportionality test across the approvals system	Referral authorities, infrastructure agencies and decision-makers should be required to consider the impacts of decisions on housing supply, affordability and delivery timeframes.
2.2	Require decision-makers to explicitly balance housing outcomes against competing objectives	Housing should not automatically prevail, but nor should it be treated as an aspirational objective divorced from operational decision-making.
2.3	Limit information requests to matters that are material to the decision being made	Information requests should be proportionate and relate to matters that genuinely require further assessment.
2.4	Improve accountability and performance reporting	Publish performance indicators for approval authorities and referral agencies that capture timeliness, responsiveness, and housing delivery outcomes.

2.5	Use performance data to target funding, resources and reform	Use planning performance data to identify approval bottlenecks and prioritise funding, resourcing and reform initiatives in the parts of the system where improvements will have the greatest impact on housing delivery.
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Delivering housing-enabling infrastructure		
3.1	Require an Infrastructure Cost Budget prior to rezoning land	Ensure infrastructure requirements, costs, funding responsibilities, and delivery risks are understood before land is rezoned.
3.2	Exhibit all infrastructure contribution obligations concurrently with major rezonings	Improve market certainty by exhibiting all infrastructure contribution obligations alongside rezoning proposals.
3.3	Explore a nationally consistent framework that enables land value contributions in areas subject to major rezonings	Better align infrastructure funding with rezoning value uplift and reduce reliance on development-stage contributions.
3.4	Clearly define local and regional infrastructure funding responsibilities	Ensure development contributions are focused on local infrastructure, while long-life regional infrastructure is funded through broader public funding and long-term financing mechanisms that better reflect the distribution of benefits over time.
3.5	Expand access to infrastructure bonds, seed funding and other financing mechanisms that bring forward enabling infrastructure	Unlock housing supply by providing upfront capital for critical infrastructure, with repayment structured over the life of the asset rather than being constrained by the timing of development contributions.
3.6	Improve local government access to forward funding for growth infrastructure	Allow forecast contributions income to be considered in local government debt capacity assessments and enable greater forward funding of infrastructure.



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