



Australian
Institute of
Architects

HOUSING SUPPLY REGULATION



Productivity Commission Inquiry

ROYAL AUSTRALIAN INSTITUTE OF ARCHITECTS

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ABOUT THE INSTITUTE

The Royal Australian Institute of Architects (Institute) is the peak body for the architectural profession in Australia. It is an independent, national member organisation with more than 13,500 members across Australia and overseas.

The Institute exists to advance the interests of members, support professional standards and contemporary practice, and advocate the value of architects and architecture to the sustainable growth of our communities, economy, and culture.

The Institute actively works to maintain and improve the quality of our built environment by promoting better, responsible, and environmental design.

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- + At the time of this submission the National President is David Wagner FRAIA.
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The Royal Australian Institute of Architects recognises the unceded sovereign lands and rights of Aboriginal and Torres Strait Islander peoples as the First Peoples of these lands and waters.

This recognition generates acknowledgement and respect for Aboriginal and Torres Strait Islander Countries, Cultures and Communities, and their ways of being, knowing and doing.

Caring for Country practices including architecture and place shaping have existed on this continent since time immemorial.

The Institute recognises a professional commitment to engage and act meaningfully through reciprocal partnership and relationships with Aboriginal and Torres Strait Islander peoples. Together we will support and develop the emergence of new possibilities for our shared future.

1. Introduction

The Royal Australian Institute of Architects (the Institute) welcomes the opportunity to contribute to the Productivity Commission's Inquiry into Housing Supply Regulation.

The Institute is well positioned to respond to the Inquiry Terms of reference examining how regulatory settings across all levels of government can be improved to accelerate housing delivery and lift construction productivity, with particular focus on approval processes, the availability and use of land, and the frameworks required to deliver housing-enabling infrastructure. Our members are experts in providing practical, real-world evidence on the myriads of barriers and issues delaying delivery, and the reforms needed to improve housing outcomes.

As we detail in this submission, the challenge is not simply the speed or volume of approvals to deliver more homes. Australia also needs housing that is well located, supported by infrastructure and services, meets the needs of changing population demographics, responsive to climate and place, affordable to operate, and capable of contributing to more productive cities, towns, and regions over time. Well-designed housing is also a practical economic intervention: it reduces long-term energy and infrastructure costs, supports electrification and decarbonisation objectives, and improves health, productivity, and asset performance.

Architects work across the housing system in practice — from strategic planning and master planning, through development assessment and design coordination, to detailed documentation, procurement, and construction delivery, bringing together planning, regulatory, technical and market requirements at each stage. This perspective provides a clear view of how policy settings operate across the full pathway from planning capacity through to completed homes.

The Institute considers that strengthening national design leadership would improve system coordination and outcomes, including through the appointment of a Federal Government Architect to support integration across housing, infrastructure and place-based policy.

A consistent theme emerging from Institute member feedback is that housing supply is constrained less by any single regulatory step than by how the system functions. Delays and cumulative inefficiencies arise across approval pathways, infrastructure coordination, post-approval processes, project feasibility, and workforce capacity. In many cases, the issue is not whether a project can be approved, but whether it can proceed through to construction and completion within a system that is coordinated, workable and commercially viable.

This submission therefore focuses on improving system performance across the full housing delivery pipeline. It highlights opportunities to reduce duplication, improve coordination, address feasibility constraints, and ensure that housing outcomes remain liveable, resilient, and well designed.

The Institute notes that this perspective is consistent with broader observations from the Planning Institute of Australia, that housing outcomes depend on coordinated systems rather than regulation in isolation, and supports that framing while contributing a delivery-focused view of how those systems operate in practice.

2. Overall Position

The Institute supports a reform agenda that is practical, coordinated and evidence-based.

Housing supply cannot be improved by focusing on approvals in isolation. In practice, outcomes are shaped by the interaction between planning systems, infrastructure provision, utilities, referral authorities, financing conditions, procurement settings, workforce capacity, and construction productivity.

Across jurisdictions, members are observing the same pattern: housing capacity is being created but is not consistently translated into completed homes. Queensland land development data, for example, shows a persistent and growing stock of approved dwellings that have not progressed to construction, with the pipeline increasing over recent years rather than converting into delivery.¹ Similar patterns are emerging in Victoria, where fast-track approval pathways linked to affordable housing targets are not consistently translating into delivery. Public reporting indicates that while thousands of homes have been approved under these mechanisms, a significantly smaller proportion have progressed to construction or completion.²

Improving supply therefore requires attention to how the system functions end-to-end. The objective is not simply to increase activity within the system, but to improve its ability to deliver completed homes in the right places and to an appropriate standard.

3. Key issues arising from Institute feedback

3.1 Approval systems remain fragmented

Duplication, uncertainty, and inconsistent expectations continue to shape approval processes, particularly where planning, referral agencies, utilities, and local government operate without clear alignment.

These issues are not isolated to a single jurisdiction, but they manifest in slightly different ways. In Victoria, overlapping pathways and interaction with appeal mechanisms continue to introduce complexity. In South Australia, lack of clarity in how policy is interpreted—particularly in relation to matters such as parking—has delayed projects despite policy settings intended to support delivery. In Western Australia, increasing expectations for

¹ Queensland Government Statistician's Office, Residential land development activity, May 2026.

² *The Age*, Minister's fast-tracked housing towers become ghost projects, 23 May 2026, accessed 15 June 2026, <https://www.theage.com.au/national/victoria/minister-s-fast-tracked-housing-towers-become-ghost-projects-20260303-p5o72m.html>

detailed building-level information at the development application stage are adding time and cost without clearly improving planning outcomes.

In each case, the effect is the same: reduced certainty, increased rework, and a more complex pathway to delivery. Reform in this area should focus on clarity, consistency, and early resolution of issues, allowing assessment effort to focus on matters that materially affect housing outcomes.

3.2 Post-approval barriers are a primary constraint

A recurring theme is that the most significant delays often occur after planning approval has been granted.

This is particularly evident in Queensland, where members report that the period between approval and commencement is often where projects lose momentum. Infrastructure agreements, service authority processes, utilities coordination and the sequencing of conditions of consent can all delay the transition from approval to delivery.

In the Northern Territory, similar constraints arise within a more tightly constrained system. Limited specialist capacity, smaller project pipelines, and extended supply chains mean that delays in servicing, infrastructure approvals and coordination are more difficult to absorb or recover from.

Industry evidence reinforces this pattern. A significant share of approved land – estimated in some cases around 40 per cent – is constrained by infrastructure and servicing barriers rather than planning approval itself.³

At present, this part of the system remains opaque. There is no consistent national dataset tracking housing from approval through to completion, which limits the ability of governments to identify where projects stall and to target reform effectively.

3.3 Feasibility is often the binding constraint

In many markets, projects are not proceeding because they are not financially viable.

In Queensland, members report that in regional markets and parts of suburban Brisbane and the Gold Coast, achievable sale prices do not support current construction costs except in premium locations. This significantly affects the delivery of medium-density, multi-residential and affordable housing.

Victorian feedback reinforces the same pattern from a different angle, identifying construction cost escalation as the most significant constraint on delivery across multiple housing types.

In the Northern Territory, feasibility challenges are intensified by structural conditions, including smaller markets, workforce shortages, high transport costs, limited

³ UDIA National, Housing pipeline and infrastructure constraints analysis, 2026.

contractor availability, and supply chain constraints. In this context, private delivery is often insufficient to support housing supply without a more active government role, including early purchasing, underwriting, or partnership models.

These conditions highlight that regulatory efficiency alone cannot drive supply. Reform must also address the economic conditions under which housing is delivered.

3.4 Medium-density housing remains difficult to deliver

Medium-density and infill housing are central to long-term supply in well-located areas yet remain difficult to deliver in practice.

Across jurisdictions, the challenge is not the absence of policy support, but the difficulty of translating that support into viable projects. There is a gap between policy intent and the practical delivery of townhouses, terraces, and low-rise apartments, driven by both planning controls and feasibility pressures.

South Australian experience highlights a related issue: the absence of consistent and widely applied housing design guidance can reduce certainty for both proponents and assessment bodies, contributing to variability in outcomes and longer decision-making processes.

Stronger alignment between planning frameworks, design guidance and delivery conditions would support more consistent outcomes for these housing types.

3.5 Regional and remote delivery conditions

Housing delivery conditions vary significantly across Australia, and these differences have material implications for how policy settings operate.

Queensland provides a clear example of variation within a single jurisdiction, with markedly different delivery conditions across metropolitan, regional, and coastal markets. These differences are shaped by feasibility, infrastructure sequencing, and workforce capacity.

The Northern Territory represents a more constrained system. Delivery conditions are shaped by small and fragmented markets, long supply chains, limited construction capacity, high transport, and insurance costs, and demanding climatic conditions. Public housing also plays a significantly larger role, meaning government procurement and delivery frameworks have a disproportionate influence on supply outcomes.

In these contexts, standardised approaches to reform can have unintended consequences. Effective policy needs to be coordinated nationally but sufficiently adaptable to respond to place-specific conditions.

3.6 Quality and resilience are integral to productivity

Housing quality, resilience, and liveability are not ancillary considerations. They are fundamental to the long-term economic performance of the housing system.

A system that prioritises speed without regard to these factors risks delivering housing that performs poorly over time—through higher energy costs, increased maintenance and retrofit requirements, reduced durability, and weaker social and environmental outcomes. These costs are not theoretical; they are borne by households, governments, and the broader economy over the life of the asset.

The Institute’s experience indicates that gaps can emerge where policy intent is not fully realised in delivery. This can occur where design stages are compressed, coordination between disciplines is reduced, or implementation pathways do not adequately support the performance outcomes embedded in planning or building frameworks.

In metropolitan areas, this is evident in cases where increased density is not accompanied by corresponding improvements in public realm, access to services, green space, and infrastructure. In more climate-exposed regions, the consequences are more acute. Building performance, thermal comfort, moisture management, and resilience are critical to long-term affordability and liveability, particularly where environmental conditions are more extreme.

Across all contexts, the same principle applies: well-designed housing reduces downstream costs and improves system performance, while poorly resolved outcomes create ongoing economic and social liabilities.

For this reason, productivity reform should be framed not as a trade-off between speed and quality, but as a requirement to achieve both. Improving coordination, clarity and system performance should strengthen housing outcomes overall—not diminish them.

3.7 Innovation, MMC and pattern-book approaches

Modern methods of construction and pattern-book approaches present opportunities to improve productivity, but adoption remains uneven.

In Victoria, industry hesitancy reflects a lack of precedent, uncertainty in costing, financing constraints, and perceived compliance risks. Without consistent pipelines, it is difficult for industry to absorb or price innovation risk.

South Australian and Northern Territory experiences point to the potential of pattern-book approaches and pre-approved typologies where linked to strong design guidance and streamlined pathways. These approaches may be particularly valuable in social, affordable, and regional housing contexts, where repeatability and certainty can improve delivery outcomes. Realising these opportunities requires coordinated support across procurement, regulation, finance, and construction.

3.8 NCC intersections

Although outside the formal scope of the inquiry, members have identified several intersections with the National Construction Code that affect housing delivery.

For common construction methodologies, including typical wall systems, the absence of Deemed-to-Satisfy pathways requires repeated performance solutions across projects. This introduces avoidable time, cost and inconsistency into the design and approval process. In addition, differing interpretations across jurisdictions and by certifiers can increase risk and delay.

These issues do not suggest that NCC requirements should be weakened. Rather, they highlight the importance of clarity, consistency and alignment across planning, building, and delivery systems. Improvements in these areas would support construction productivity, reduce duplication of effort, and provide greater certainty for industry, while maintaining safety and performance outcomes.

4. Recommendations

Based on the issues outlined above, the Institute recommends a focused reform agenda to improve system performance across the housing delivery pipeline:

1. **Strengthen national design leadership by appointing a Federal Government Architect** to provide independent design leadership across Commonwealth policy and investment settings.
2. **Improve the conversion of approved housing into completed homes** by addressing post-approval barriers including infrastructure agreements, utilities, and subdivision processes.
3. **Establish a national housing pipeline dataset** to track approvals through to completion and improve transparency.
4. **Align housing supply with infrastructure sequencing**, with clearer accountability mechanisms.
5. **Address feasibility constraints**, including through targeted government support and partnership models.
6. **Support medium-density and diverse housing in well-located areas**, underpinned by clear planning pathways and strong design guidance.
7. **Support innovation, MMC and pattern-book approaches**, particularly where linked to design quality and streamlined pathways.
8. **Protect quality, resilience, and long-term performance**, recognising their role in system productivity and public value.

5. Conclusion

Australia's housing challenge is not defined by a single regulatory barrier. It reflects how the housing system operates across planning, approvals, infrastructure, delivery, and market conditions.

The most effective reforms will therefore be those that improve coordination, reduce duplication, address feasibility, and ensure that planning intent is translated into completed homes in appropriate locations.

A system that delivers more homes quickly but without regard to quality, resilience or place risks shifting costs into the future. A system that is clear, coordinated, and responsive to real delivery conditions will produce better outcomes over time.

Strengthening national coordination, including through design leadership at the Commonwealth level, will be critical to aligning policy intent with delivery outcomes and ensuring that housing, infrastructure, and place-based objectives reinforce one another.

The Institute welcomes continued engagement with the Productivity Commission and would be pleased to provide further practitioner insight as the inquiry progresses.

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