

15 June 2026

Ms Alison Roberts
Ms Danielle Wood
Commissioners
Productivity Commission

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

Dear Commissioners

RE: Productivity Commission inquiry into housing supply regulation

The Green Building Council of Australia (GBCA) welcomes the opportunity to provide input to the Productivity Commission's (PC) inquiry into housing supply regulation. We commend the increased efforts by the Australian Government to address the critical housing shortage in Australia and recognise that this must be a multi-faceted approach, with all levels of government as well as industry playing their parts to find solutions and maximise opportunities.

GBCA's purpose is to lead the sustainable transformation of the built environment. We do this primarily through our core functions:

- We advocate policies and programs that support our vision and purpose.
- We rate the sustainability of buildings, fitouts and communities through Australia's largest national, voluntary, holistic rating system – Green Star.
- We educate industry, government practitioners and decision-makers, and promote green building programs, technologies, design practices and operations.
- We collaborate with our members and other stakeholders to achieve our mission and strategic objectives.

GBCA recognises the PC's task to examine the rules and regulations that impact housing supply and provide the Treasurer with actionable recommendations to lift productivity and help Australia build more homes. We highlight the following priorities for consideration which focus on streamlining processes and lifting productivity in housing supply while also delivering on a range of critical policy objectives:

- Streamline and better coordinate planning approvals across jurisdictions, including clearer pathways, less duplication and better-resourced decision-making, to reduce delays and uncertainty.
- Remove regulatory barriers to modern methods of construction (MMC) and prefabrication by improving definitional clarity and creating more nationally consistent planning and approval settings for repeatable building systems.
- Use targeted land-use reforms to unlock more homes in the right places, including transport-oriented development, low- and mid-rise infill, and standardised housing typologies that can support faster assessment.

- Plan housing and enabling infrastructure together, including energy, transport and social infrastructure, so approvals translate into build-ready projects without downstream bottlenecks.
- Design buildings and communities to be safe and resilient to future climate conditions and impacts to avoid unproductive and costly retrofits or rebuilds.
- Make electrification-ready development the default to avoid future retrofit and decommissioning costs, improve household operating affordability and support long-term system efficiency.

GBCA provides further detail and comments regarding the above in relation to Question 1 from the consultation paper:

1. Which regulatory reforms should governments prioritise to get more homes built more quickly? What evidence (case studies and data) can you provide to support your answer?

Australia urgently needs to increase housing supply, but it must do this while delivering homes that are:

- Affordable to construct/purchase
- Affordable to operate now and in the future
- Safe and healthy to live in now and in the future
- Situated within communities/neighbourhoods which are climate-resilient, liveable and well-connected.

Housing supply is ultimately a systems challenge. While individual regulatory reforms may help, long-term success will depend on better coordination across planning, infrastructure, energy, transport, housing and environmental policy. We note that the National Urban Policy as a potentially important mechanism for improving that coordination if implemented effectively. We also highlight the GBCA's recently released, [Nature positive roadmap for the built environment: Trajectories for new developments](#), which provides a shared reference point that aligns industry action with national and international nature commitments, and aims to support more consistent policy and planning outcomes.

We note the following areas provide opportunities for streamlining processes and lifting productivity while also creating opportunities to deliver on a range of policy objectives, including those relating to climate targets and resilience. We also highlight opportunities to mitigate the need for expensive future retrofits and/or decommissioning of gas equipment and infrastructure.

Reducing barriers to MMC and prefabrication

While we note that aspects of MMC and prefabrication must be addressed as part of the work underway to modernise the NCC (beyond the scope of this inquiry) there are aspects that could be better addressed by planning systems. These include:

- MMC projects must navigate different planning and zoning rules in every jurisdiction, with no nationally consistent pathway for off-site or modular construction. This creates uncertainty, delays and additional cost. One of the greatest strengths and advantages of MMC systems is in their repeatable designs. However, industry leaders struggle to achieve scale because different states and/or local governments may require different documentation, bespoke assessments and more. This fragmentation makes MMC commercially risky and slows adoption.
- Many planning schemes do not explicitly recognise modular or off-site construction, leading to uncertainty such as whether modules are defined as 'buildings' or 'manufactured products' and confusion about when planning approval is required. A lack of definitional clarity is a subtle but significant barrier.

The Commonwealth recognises MMC as an important opportunity for improving construction sector productivity and delivering more homes, faster. GBCA commends the recent commitment of \$40 million to support Building 4.0 CRC's 'kit-of-parts' project. Done well, MMC, including the kit-of-parts approach, can also deliver a range of benefits including:

- Improved circular outcomes, reduced materials, and reduced impacts on nature along the supply chain
- Higher-performing, energy-efficient buildings at scale
- Reduced construction waste
- Reduced emissions through reduced transport movements
- Improved quality control through factory-based manufacturing
- Supporting adaptation and resilience through repeatable, verifiable systems.

Use targeted approaches to deliver critical policy outcomes while improving housing supply

GBCA supports streamlining and simplification of processes, rules and regulations with the removal of duplication wherever possible. We believe there will be a range of solutions to improve productivity and housing supply. However, we encourage the PC to ensure that any recommendations for reforming regulations and improving processes will also continue to consider how central policy objectives such as climate resilience, emissions reduction, energy security, nature protection and equity and inclusion will be delivered.

GBCA notes that there a range of approaches to streamlining approval with some already in place in various jurisdictions around Australia. Though they may be relatively new to Australian systems, they have been inspired by or adapted from successful international examples. Importantly, these approaches can also create opportunities to embed improved sustainability, liveability and resilience outcomes. Such as:

- Transport/Transit Oriented Development (TOD), such as Victoria's Suburban Rail Loop East precincts and Train and Tram Zone Activity Centres Program. The core focus of these initiatives is to increase densification and build more homes around transport infrastructure. This presents opportunities not just for streamlined planning approvals, but also opportunities to lift sustainability outcomes, both through government leadership and where development opportunities are particularly attractive to the private sector.
- Low and mid-rise reforms seek to increase densification and build more homes in existing neighbourhoods. The ACT's Missing Middle Reforms are a recent example. This initiative seeks to limit urban sprawl and the negative environmental and resilience impacts that go with it. It also seeks to provide greater housing choice, improve liveability and retain local character.
- Standardised housing typologies can create opportunities for fast-tracked planning while designing in greater energy and material efficiency, lowering costs and offering a degree of flexibility. The NSW Housing Pattern Book offers a range of low and mid-rise patterns that are energy efficient, all-electric, customisable and come with guidance for materials, landscaping and navigating the planning application process. The WA Government has recently announced it will also develop a housing pattern book.

Ensuring infrastructure planning supports housing delivery, electrification and long-term system efficiency

The Government's focus on improving planning systems to deliver more homes, faster, presents a critical opportunity to ensure that new housing is supported by the right long-term infrastructure. GBCA commends the Government's recent commitment to funding 'last mile' infrastructure to enable new housing developments.

We note that streamlined approvals and better-sequenced land release will only achieve their full impact if the underlying energy, transport and social infrastructure is planned in parallel. Embedding electrification-ready development as a default, including clear pathways to exclude new gas infrastructure in greenfield and infill areas (that must ultimately become obsolete on the path to net zero) is a clear productivity gain. It can simplify infrastructure delivery, reduce long-term costs for households, avoid locking in outdated assets, and support the rapid delivery of homes that are healthier, more efficient and aligned with Australia's net zero commitments and energy security objectives. Please see GBCA's [Climate positive roadmap for precincts](#) which sets out the principles and outcomes to delivering climate positive precincts.

Prioritising electrification does not slow housing delivery; it ensures that the homes we build today will fit for purpose for decades to come. Avoiding the need for future electrification retrofits of homes and buildings – as well as avoiding the need to decommission gas infrastructure across whole neighbourhoods – also means critical resources, funds and labour will not be diverted from future new construction needs.

To sustain the pace of housing delivery the Government is seeking, infrastructure planning must also anticipate the significant uplift in electricity demand driven by all-electric homes, EV charging, and electrified industry. This requires closer coordination between land-use planning, distribution network investment and housing delivery pipelines, ensuring that grid upgrades occur early enough to avoid bottlenecks that delay construction. A forward-looking approach will improve system efficiency and resilience while enabling the scale of housing growth Australia need. It must be supported by transparent demand forecasting, streamlined approvals for network upgrades, and collaboration between planners, network operators and developers. By aligning infrastructure planning with the realities of electrification, governments can accelerate housing delivery and build a more efficient, future-proof energy system.

To arrange further discussion, or for additional clarification of the points made above, please do not hesitate to contact Katy Dean, Senior Policy Adviser, via email at katy.dean@gbca.org.au.

Yours sincerely

A handwritten signature in black ink that reads "D. Rooney". The signature is written in a cursive style with a large, looped 'D' and a trailing flourish.

Davina Rooney
Chief Executive
Green Building Council of Australia