Green Building Council Australia

Building a sustainable future

9 October 2026

Ms Danielle Wood
Ms Alison Roberts
Commissioners
Australian Government Productivity Commission

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

Dear Commissioners

Re: Housing Supply Regulation – Interim Report

The Green Building Council of Australia (GBCA) welcomes the opportunity to provide feedback on the Housing Supply Regulations – Interim Report.

GBCA strongly believes that every Australian deserves an affordable home that meets their needs, promotes health and comfort, and is resilient to a changing climate. GBCA supports the overall direction and conclusion of the interim report that targeted reform can improve housing supply.

A much greater supply of zoned living space, particularly up-zoning high demand locations can be compatible with a sustainable built environment with the right guidance in place. Planning reform that enables more homes in high-accessibility locations can improve affordability, reduce pressure on household budgets and support productivity by giving more people access to jobs, services and transport.

Core to productivity is the relationship between the value created and the resources required to create it. Improving productivity therefore means not only lowering costs but also delivering better outcomes. In a housing context, those outcomes include homes that are affordable, healthy, resilient to climate risks, efficient to operate and well-located. Ultimately, Australia's housing challenge is not just about increasing supply. It's about ensuring the communities we build today remain inclusive, productive and resilient for decades to come.

About the Green Building Council of Australia

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 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.
- We rate the sustainability of buildings, fitouts and communities through Australia's largest national, voluntary, holistic rating system – Green Star.

Land use reform direction

A best practice regulatory system for housing needs to allow enough housing development opportunities that prices are disciplined by competition, not scarcity. This means four conditions[1] need to exist simultaneously:

1. **Legal availability**: development rights must be immediately usable.
2. **Value-aligned location**: capacity must be provided where demand is strongest.
3. **Simultaneity**: multiple development options must be available at the same time, not released sequentially.
4. **Credible threat of entry**: alternative supply must be able to enter the market and reduce incentives for land banking.

The interim report identifies that 'too much or unnecessary regulation can limit housing supply.' The key is to identify the regulations that suppress competition, constrain land supply and inflate urban land values, allowing landowners to extract economic rents from the wider community. This is an important cause of unaffordable housing prices.

Current Australian reforms often focus on dwelling targets, precinct plans, rezoning programs, and housing capacity estimates. A more housing-responsive and outcomes-focused approach would ask:

- Are land prices remaining competitive?
- Are housing prices and rents signalling persistent scarcity?
- Do buyers and developers have genuine alternative options?
- Can supply expand quickly when demand rises?
- What other outcomes are important and how can they be achieved?
- Are households able to access homes close to jobs, education, transport and services?

As part of ensuring a strong reform direction the Productivity Commission could consider adding to reforms with policy settings that:

- recognise excessive land price inflation as evidence of planning failure
- retain strong environmental protections, resilience standards and amenity safeguards, while limiting the use of planning controls that unnecessarily constrain overall housing supply
- trigger action when affordability deteriorates beyond defined thresholds, such as additional upzoning around transport corridors when housing shortages emerge
- ensure action can maintain community support through building quality and sustainability standards
- introduce strong infrastructure performance standards, accompanied by new funding mechanisms to ensure lack of infrastructure provision doesn't justify withholding development or poor environmental outcomes
- require governments to monitor land price and zoning difference gaps
- trigger action when affordability deteriorates beyond defined thresholds.

Importantly, housing supply reform should be accompanied by a strong focus on development quality. Better design outcomes can improve community acceptance of higher-density development and help maintain the social licence needed to support housing growth (among other benefits).

Housing targets can be paired with minimum sustainability, energy and resilience standards to ensure that we are building homes that will be healthy, safe and affordable to operate in a rapidly changing climate.

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[1] The four conditions are borrowed from a recent report relating to New Zealand planning reforms: *Competitive Urban Land Markets and the Planning Bill 2025*

These standards will not increase the price of urban land across a city in the way that restrictions forcing low density development do. Continued commitment by jurisdictions to work together on regular and appropriate updates to the National Construction Code and timely implementation of these are important ways to achieve this.

The energy efficiency provisions in the National Construction Code are an example of regulations with strong net benefits. The Australia Building Codes Board's DRIS[2] estimated multibillion dollar benefits for all options and $9.4 billion in net benefits from 2025 – 2034 for the package closely matching updates implemented in the NCC 2025. Importantly, these estimates exclude several potentially benefits, including health benefits from reduced air pollution and potential productivity gains associated with healthier indoor environments. Targeted residential energy efficiency options also lead to net benefits for households[3]. Where regulations deliver large net benefits and improve social outcomes, they should be recognised as productivity-enhancing reforms rather than regulatory burdens.

Using tools such as Green Star within planning, procurement and development processes can help ensure additional housing delivers broader community value through better environmental performance, health outcomes, resilience and liveability. High-quality, sustainable development can build confidence that increased density will create better neighbourhoods, not simply more housing, helping reconcile housing affordability objectives with community expectations.

Build to Rent

Spreading the cost of high value, well connected land requires higher density builds like apartments. The Green Star Buildings Apartments Pathway is a pathway within the Green Star Buildings rating tool to deliver apartments that are healthier, more efficient and better for the environment.

The Build to Rent sector is growing rapidly as investors respond to housing supply shortages and renters demand high-quality, sustainable and secure homes that offer value for money. As a long-hold asset class, its success depends on buildings that perform well over time — financially, environmentally and socially. Please see Keys to change: Unlocking better, greener Build-to-Rent housing.

To arrange further discussion, or for additional clarification of the points made above, please do not hesitate to contact Corwin Wallens, Policy Manager, via email at corwin.wallens@gbca.org.au.

Yours sincerely



Davina Rooney
Chief Executive
Green Building Council of Australia

[2] Microsoft Word - CIE Final Report-Commercial Energy Efficiency DRIS-Dec 2024

[3] Table ES 5 Report