POST-INTERIM SUBMISSION | PRODUCTIVITY COMMISSION

FROM HOUSING ON PAPER TO HOUSING DELIVERED

Implementation considerations for the interfaces, sequencing and accountability that connect regulatory capacity to completed homes

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PURPOSE
This submission responds principally to Information Requests 2.2, 3.3, 3.4, 4.2 and 5.1 in the Productivity Commission's July 2026 interim report. It focuses on how the Commission's proposed reforms can be observed and implemented as an end-to-end delivery system, while remaining within the inquiry's scope.

EXECUTIVE SUMMARY

The interim report already makes an important distinction between theoretical housing capacity and housing that can actually be delivered. It notes that land release is only the first step in a longer development pipeline, that zoned capacity may not be commercially feasible, that approval delays can cascade, and that infrastructure sequencing can leave approved land unable to proceed. The 30 July webinar put the issue plainly: without enabling infrastructure, reform can create more housing 'on paper' rather than completed homes.

This submission builds on that analysis. Its central proposition is that the value of regulatory reform is best understood through conversion: whether additional capacity moves from zoning and approval into commencement and completion, and where that conversion breaks down. This is not a claim that every non-commencement is caused by regulation. Rather, a conversion view helps distinguish regulatory constraints from market, finance, construction and demand factors that sit partly or wholly outside this inquiry.

The submission therefore offers five implementation options for the Commission's consideration: extend development-ready land reporting into a delivery-conversion measure; map dependencies and ownership across regulatory interfaces; measure end-to-end elapsed time as well as individual approval time; ensure coordination bodies can resolve conflicting requirements; and test approval pathways against the sequencing needs of prefabricated, modular and other industrialised construction methods.

Five implementation options at a glance

OPTION	PURPOSE
1. Measure conversion	Extend reporting beyond zoned and approved capacity to observe how much progresses to commencement and completion.
2. Map interfaces	Identify dependencies, information requirements, decision owners and conflict-resolution points between agencies and approval stages.
3. Track end-to-end time	Retain approval-stage metrics but also measure the elapsed time across the full regulatory pathway that must be completed before building can start.
4. Give coordination bodies authority	Coordination is most useful where the coordinating body can resolve conflicting referrals rather than merely convene participants.
5. Test pathways against industrialised construction	Ensure approval sequencing does not unintentionally force prefabricated, modular or other industrialised projects back into a conventional sequential workflow.

1. BUILD ON THE COMMISSION'S EXISTING DISTINCTION BETWEEN CAPACITY AND DELIVERY

The interim report already moves beyond a simple measure of zoned capacity. It states that governments should focus on development-ready land and considers a measure distinguishing land that is zoned from land that is serviced, approved, infrastructure-ready and commercially feasible. It also notes that commercial feasibility is a necessary, but not sufficient, condition for additional capacity to become actual supply.

That distinction could be extended one further step for implementation and performance reporting. The useful policy question is not only how much capacity exists, but how effectively capacity converts through the subsequent stages needed to produce a completed dwelling. A jurisdiction may increase zoned capacity substantially while still experiencing weak commencements or completions. Conversely, reforms that appear modest in zoned-capacity terms may have a larger delivery effect if they improve conversion on sites that are already feasible and infrastructure-ready.

Housing Delivery Conversion Pathway

ZONED → SERVICED → APPROVED
↓
CONDITIONS SATISFIED → INFRASTRUCTURE-READY → COMMERCIALLY FEASIBLE
↓
COMMENCEMENT-READY → COMMENCED → COMPLETED

The framework is diagnostic, not a target that assumes every approved project should proceed. Projects may stop for reasons outside regulation, including demand, finance, construction cost or developer strategy. Recording the conversion point allows those causes to be separated rather than attributing all non-delivery to planning or approval performance.

This approach directly responds to Information Request 2.2 and complements the Commission's proposed development-ready land measure. It also provides a basis for evaluating the real-world effect of reforms after implementation, rather than relying only on increased theoretical capacity.

This distinction is also reflected in feedback received by the Commission following the Interim report. One respondent argued that conventional planning-performance measures such as determination timeframes and appeal rates do not capture projects that are abandoned, reduced in scale or rendered unviable, and suggested that performance should also be considered against the housing ultimately delivered. Other feedback similarly noted that an approval may not translate into delivery where the conditions attached to it materially affect project feasibility. These observations support distinguishing regulatory process outputs from subsequent conversion outcomes, while also identifying the reason a project does not progress.

2. TREAT INTERFACES AND SEQUENCING AS PART OF REGULATORY DESIGN

The interim report and webinar contain several examples where the problem is not a single rule, but the interaction between multiple decision-makers: conflicting council and fire-authority requirements; approvals dependent on separate agency referrals; infrastructure planning that does not align with rezoning; and developments delayed because responsibility for resolving conflicts is unclear.

These examples suggest that regulatory design can be assessed at two levels: the quality of each individual requirement, and the quality of the interface between requirements. An interface can fail even where each participating agency is acting within its own mandate. The practical questions are therefore: what must happen first; what information is required; who owns the next decision; who resolves a conflict; and what downstream activity becomes blocked if that decision is late.

A simple interface map for priority housing pathways

INTERFACE FIELD	QUESTION TO MAKE EXPLICIT
Dependency	What decision, approval or information must exist before this step can proceed?
Information	What evidence must be supplied, in what format, and by whom?
Owner	Who is responsible for progressing the step?
Decision authority	Who can approve, reject or impose conditions?
Delivery capacity	Does the responsible body have the authority, funding and operational capacity required to perform its role within the expected timeframe?
Conflict resolution	Who has authority where referral advice or requirements conflict?
Timing	What is the expected end-to-end elapsed time, including referrals and post-approval steps?
Downstream effect	What project activity is prevented if this step is delayed?

This is consistent with Reform Direction 3.4, which proposes coordination bodies with decision-making power in the event of conflicting advice, and with Reform Direction 4.2, which proposes accountability frameworks with clear responsibilities for infrastructure sequencing.

For implementation, the Commission could consider whether major reform pathways should publish a simple interface map alongside the regulatory rules themselves. This would help applicants, councils, referral agencies and infrastructure providers understand the same sequence and escalation route before a project enters the process.

Feedback to the Commission also suggests that identifying responsibility may not, by itself, be sufficient. One respondent raised the example of water corporations expected to enable housing growth while operating within financial and institutional settings that may affect their capacity to invest ahead of demand. Whether or not those particular settings prove to be a material constraint, the example highlights a useful implementation question: does the body responsible for a dependency also have the authority, funding and operational capacity required to discharge it when the delivery pathway requires it?

3. MEASURE THE END-TO-END PATHWAY, NOT ONLY INDIVIDUAL APPROVAL TIMES

The interim report already proposes stronger reporting of approval timeframes, outcomes, referrals, appeals and requests for information, broken down by council and development type. It also notes that, where possible, jurisdictions should report the time taken to receive all approvals necessary for development, for example from development-approval lodgement to building approval.

That is an important step because optimising a single agency's processing time does not necessarily reduce the total time before construction can begin. A project can move quickly through one approval and then wait months for a dependent referral, utility decision, subdivision condition or post-approval requirement. Measuring end-to-end elapsed time captures this cumulative burden and makes sequencing failures visible.

A useful reporting set could therefore contain both stage metrics and pathway metrics: time within each approval stage; time waiting on referrals; number of requests for information; number of post-approval conditions; total elapsed time from first formal regulatory lodgement to commencement-ready status; and subsequent conversion to commencement and completion.

4. APPLY THE SAME INTERFACE TEST TO PREFABRICATED, MODULAR AND OTHER INDUSTRIALISED CONSTRUCTION

The inquiry's terms of reference expressly include barriers to more productive methods of construction. The interim report proposes that pattern-book and fast-track pathways include options using more productive construction methods. In the

webinar, Commissioner Alison Roberts also noted that standard approval processes do not always readily facilitate prefabricated or offsite construction and can add uncertainty and cost.

Industrialised construction can change the sequence of delivery rather than simply replacing one building technology with another. Its programme advantage often depends on stable information earlier in the process and on factory manufacture proceeding in parallel with site preparation and infrastructure works. If approvals are designed around a conventional sequential workflow, a project may lose part of the intended productivity benefit even where the construction method itself is faster.

AHURI's 2026 construction research provides useful context. It describes residential construction as a 'system of systems' in which multiple autonomous subsystems interact, and notes that housing delivery involves multiple industries and sequential stages. That framing supports attention to the interfaces between regulatory, design, manufacturing, logistics and site activities rather than treating construction method as an isolated choice.

This test should not presume that regulation is the principal constraint on industrialised construction. Feedback received by the Commission from an Australian prefabricated timber manufacturer identified government procurement and lack of long-term pipeline certainty, rather than planning regulation, as its principal barrier to deploying manufacturing capacity at scale. This reinforces the value of testing the whole delivery pathway: the purpose is to identify where the intended productivity benefit is being lost, rather than assume in advance that the constraint sits within planning or approvals.

Questions for testing an approval pathway against industrialised construction

- Can site approvals and factory activity proceed in parallel where risks are independently satisfied?
- Are design and assurance decisions required early enough to support manufacturing without creating unnecessary redesign risk?
- Can equivalent evidence be reused for repeatable systems or designs where appropriate?
- Are responsibilities across manufacturer, builder, certifier and site installation interfaces clear?
- Does the pathway preserve the intended productivity advantage of the construction method rather than forcing it into a conventional sequence?

5. USE CONVERSION REPORTING TO DISTINGUISH REGULATORY FROM NON-REGULATORY CONSTRAINTS

The interim report is appropriately clear that this inquiry does not cover every factor affecting housing supply. Finance, construction labour, material costs, demand and the National Construction Code are outside scope or being considered elsewhere. The webinar similarly acknowledged that planning, approvals and infrastructure are important but do not explain every delivery constraint.

A conversion framework can help preserve that distinction. If a project is approved and infrastructure-ready but does not commence because presales fail or finance is withdrawn, that should not be recorded as an approval-system failure. If the project cannot commence because a utility decision, unresolved referral or regulatory condition remains outstanding, the regulatory pathway is directly relevant.

This matters for evaluating reform. Without a common conversion view, increases in zoned or approved capacity may be credited as housing-supply success before the dwellings are delivered, while later failures may be attributed to the wrong part of the system.

6. RELATIONSHIP TO THE COMMISSION'S INFORMATION REQUESTS

INFORMATION REQUEST	CONTRIBUTION OF THIS SUBMISSION
2.2 – Development-ready land	Supports the proposed distinction between zoned and development-ready land and extends the concept into commencement/completion conversion.
3.3 – Coordination	Frames coordination as an interface-design issue and emphasizes authority to resolve conflicts.

3.4 – Timing and burden	Supports end-to-end reporting across approvals rather than isolated processing-time measures.
4.2 – Infrastructure planning	Links infrastructure sequencing to explicit dependencies, ownership and downstream project effects.
5.1 – Co-dependencies and sequencing	Provides a practical way to make co-dependencies visible and test whether reforms function together as a delivery pathway.

CONCLUSION

The interim report already recognises that rezoning, approvals and infrastructure are interdependent and that housing supply depends on more than creating theoretical capacity. The next implementation step is to make those relationships observable.

A delivery-conversion view would allow governments to see where regulatory capacity becomes development-ready land, where development-ready land becomes commencement-ready projects, and where projects ultimately become completed homes. Mapping the interfaces, sequencing and ownership, authority and delivery capacity between regulatory stages can then help identify whether a reform is improving the delivery pathway or simply moving the bottleneck elsewhere.

This approach is intended to complement, not broaden, the inquiry. It stays focused on the regulatory and infrastructure interfaces within the Commission's terms of reference while providing a clearer way to observe their effect on actual housing delivery.

ABOUT TRAVAUX ADVISORY AND HOUSING DELIVERY LAB

Travaux Advisory is an independent development advisory practice. Housing Delivery Lab is its research stream focused on the practical constraints between housing policy, planning capacity and completed dwellings, including the integration of modern and industrialised construction methods into mainstream housing delivery. This submission draws on published research, industry engagement and development advisory experience. It does not rely on confidential client information.

The submission was prepared by Rebecca Lloyd-Jones, Director of Travaux Advisory and founder of the Housing Delivery Lab.

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