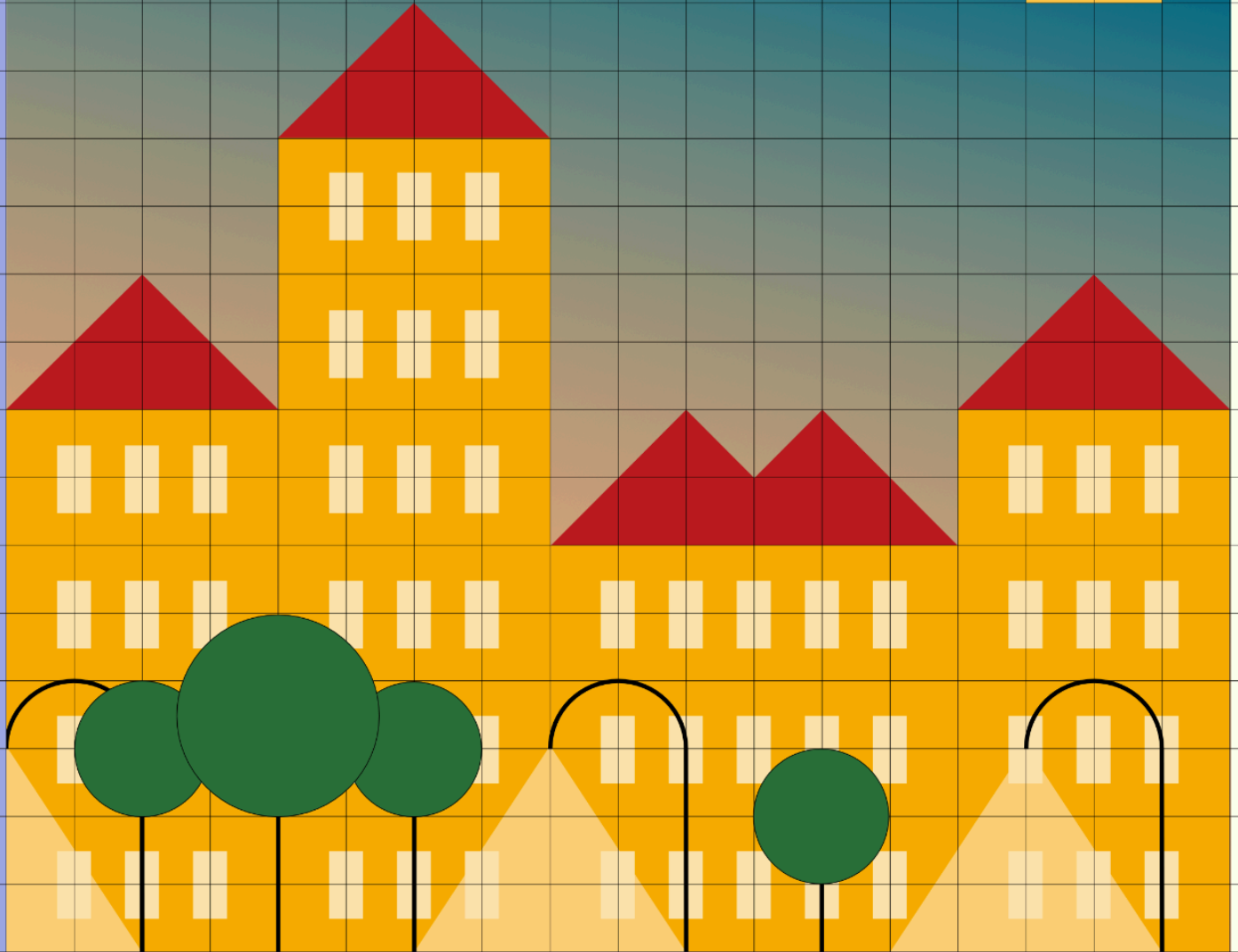


THE BRICK BOOK

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**A national resource
document for residential
development policy**

2025

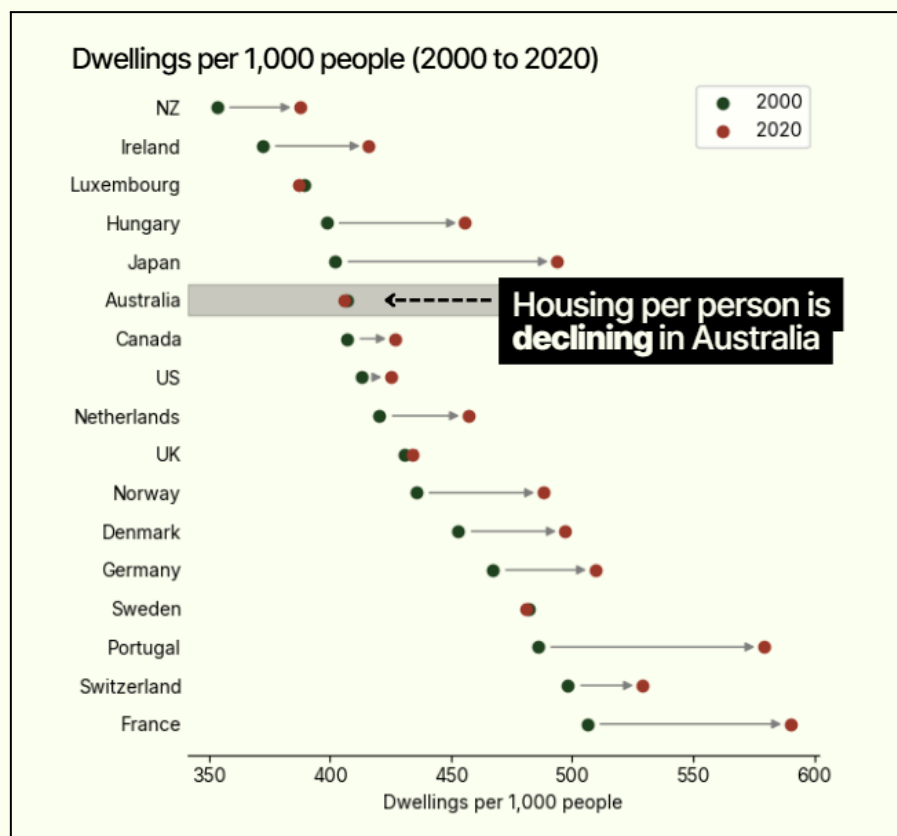
EXECUTIVE SUMMARY:

The Housing Crisis is an Artificial Housing Shortage

"If we want to make it easier for young people to buy a home, we need to build more units and clear away some of the outdated laws and regulations that have made it harder to build homes for working people in this country."

– Barack Obama
Democratic National Convention
2024

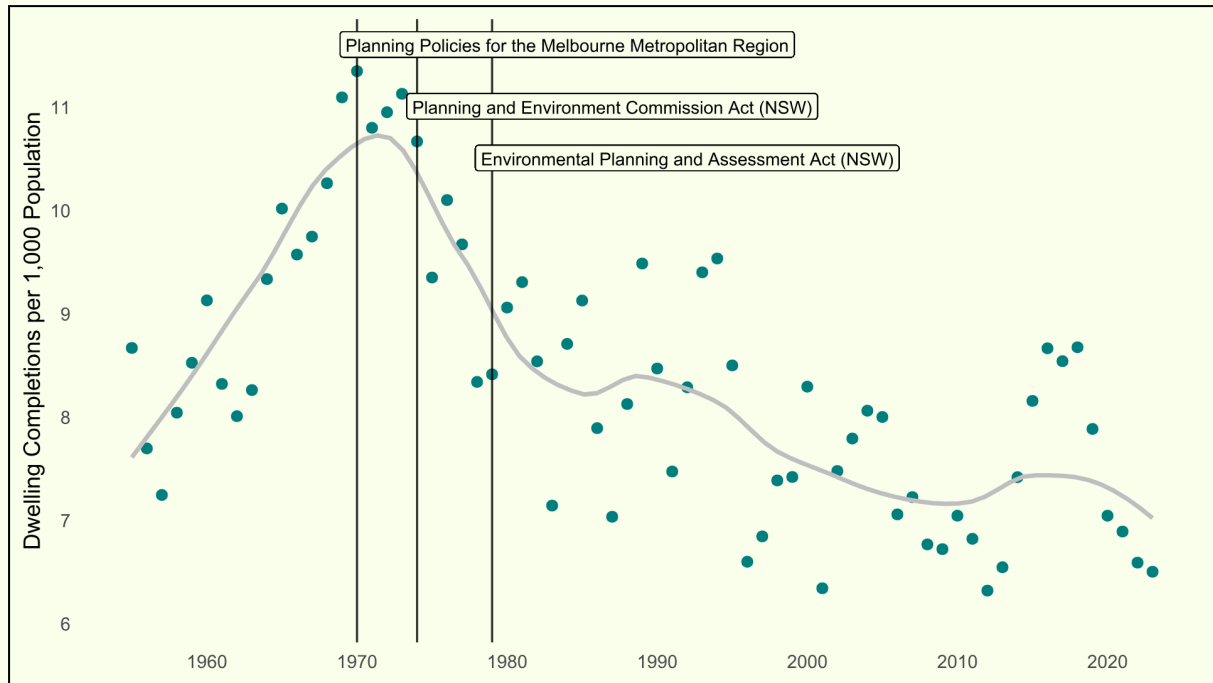
Australia has one of the lowest numbers of homes per person in the developed world—and it's only getting worse.¹ This is because we have made it incredibly difficult to build the homes people need in the places they most want to live.



Australian housing supply has declined in the 21st century.

¹ Sathanapally et. al (2025), '[Orange Book 2025: Policy priorities for the federal government](#)', Grattan Institute.

As per the chart below, ever since Australia's modern planning systems became legally enforceable, we've seen a long-term decline in dwelling completions per capita.



Modern planning systems have strangled housing supply across our nation.

Planning policies have only become more complex and restrictive over time, and now strictly limit the development of land, particularly in wealthy, inner-city suburbs. In combination with factors such as declining household size, growing incomes, and population urbanisation, the handbrakes on housing supply means it cannot keep up with the growing demand.

The vested interests of wealthy homeowners and process-oriented consultants, as well as the perverse incentives of under-resourced local governments, has made the planning systems historically resistant to meaningful reform.

As of 2023, the tide has begun to change. State Governments across Australia have begun to meaningfully undertake the planning reform necessary to increase housing supply for all Australians.

It is often said that there is no silver bullet to solve the housing crisis. But upzoning and planning reform are the closest we've got.

In our nation's policy discourse, land use is typically considered to be the exclusive purview of state and local governments, with the Federal government providing grants with varying degrees of targeting.

Indeed, the 2025 election thus far has almost entirely lacked supply-side policy ambitions from any of our political leaders. Instead we have been sold the same old policies: more demand subsidies that will satisfy voters in the short term, but drive up housing costs in the long term.

But the Federal disconnect from planning and housing policy is not the case historically, and should not be the case going forward.

During the 1980s to 1990s, the Commonwealth Government helped develop AMCORD, the Australian Model Code for Residential Development, setting a national best practice standard for planning and urban development, paving the way for the performance-based controls that dominated modern planning systems.

In 2024, the state and territory governments began negotiating a revitalised National Competition Policy to liberalise and standardise commercial zoning and planning to ensure that overly complex rules do not distort competition.

This document lays out the path for a Federal Government to continue growing their role in the most fundamental area of our nation's policy: that which governs how we use land, for where, and for what.

Australia should be a nation that builds. This document lays out six meaningful steps toward making that goal a reality.

RECOMMENDATIONS

1 | Introduce a National Townhouse Accord

Auckland-style upzoning—for all of Australia

- A. Set a nation-wide 'code-assessable' framework for townhouse development, ensuring ample permissible residential density across all urban areas.
- B. Remove local planning restrictions that are less permissive than the National Townhouse Accord framework.
- C. Exempt all developments that comply with the National Townhouse Accord from any state's third party appeal processes.

2 | Fix the National Housing Accord incentives

Pay the states to fix planning bottlenecks and build homes faster

- A. A new tranche of the National Productivity Fund should deliver incentive payments for implementing a number of deliverables such as:
 - a. Upzoning around transit hubs, CBDs, and core town centres.
 - b. Modernising and simplifying planning regulation.
 - c. Codifying all residential and mixed-use development with a deemed-to-comply standard.
 - d. Providing best-practice frameworks and cost-benefit analysis structures for land-use regulation and decision-making.

3 | Create a federal Targeted Infrastructure Feasibility Fund

A bang-for-buck fund to unlock homes in high-productivity areas

- A. Create a Commonwealth-funded targeted apartment feasibility program, building on existing initiatives in Western Australia.
- B. Focus government support on covering infrastructure connection fees (e.g. water, wastewater, electricity) for infill apartment developments.
- C. Prioritise projects that are shovel-ready to maximise efficiency and reduce the risk of program misuse.

4 | Introduce a national occupational licencing regime

Empower tradespeople to build where they are needed most

- A. Re-establish the National Occupational Licensing Authority with a mandate to focus on the construction sector and for the implemented scheme to be cost-positive or neutral for state/territory governments.
- B. Expand the National Productivity Fund's scope and funding to include national occupational licensing to incentivise state and territory involvement with a national scheme.

5 | Boost Commonwealth Rent Assistance

Bring payments up to a baseline—and ensure they stay there

- A. Raise the maximum rate of Rent Assistance by 50% for singles and 40% for couples.
- B. Index Rent Assistance to the cheapest 25% of rentals in capital cities in perpetuity.

6 | Create better incentives for public, community, and youth housing

Provide more homes for those who need them most

- A. Enable public housing agencies to claim GST credits
- B. Allow public housing tenants to get Commonwealth Rent Assistance
- C. End the youth penalty by amending CRA criteria to give all social housing tenants the maximum Rent Assistance amount receivable.

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What the Commonwealth can do to solve the Housing Crisis

1 | Introduce a National Townhouse Accord

Auckland-style upzoning—for all of Australia

Australian cities face limited geographical constraints. Even our coastal cities are able to sprawl in multiple directions with relative ease, which has led capitals like Melbourne, Sydney, and Brisbane to be some of the world's largest in terms of surface area.

This sprawl has not come without a cost. With the bulk of housing being built on the outskirts of our cities, younger and poorer families are being pushed further and further out as time goes on. This creates poverty traps and enshrines geospatial inequality into our cities.

This has not happened accidentally; it is the result of policy decisions that have made detached, single-family homes on greenfield land the easiest form of housing to build. This reliance on sprawl has reached breaking point, and is no longer aligned with the needs of the highly urbanised and services-focused Australian economy.

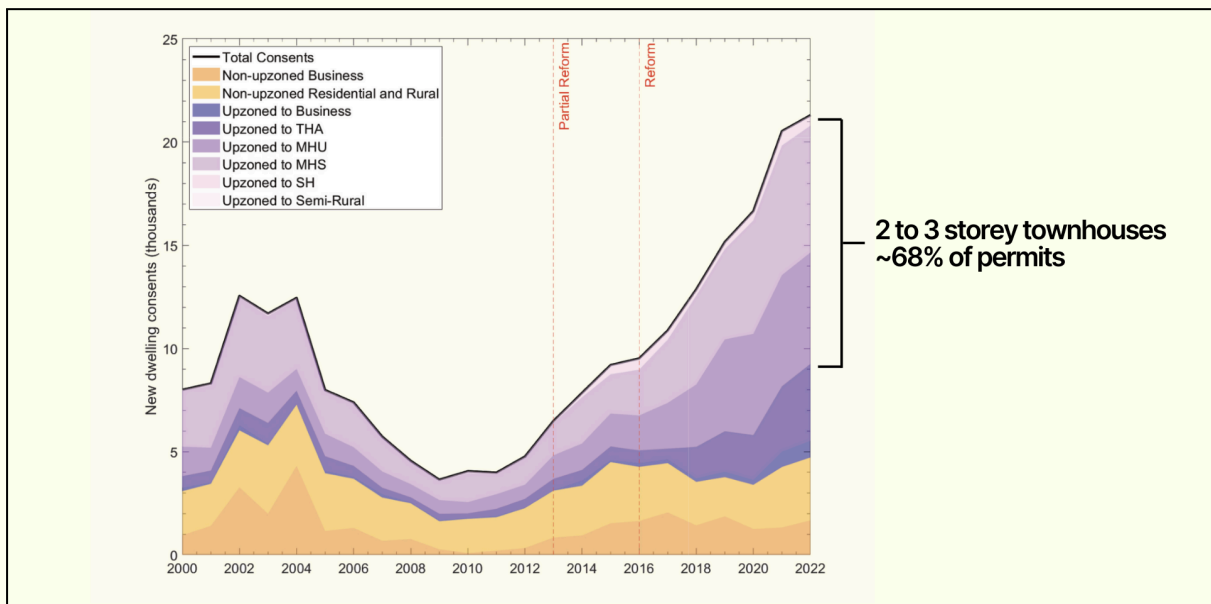
Times have changed, and the housing crisis demands our action.

The Federal Government should, through the National Competition Policy, introduce a National Townhouse Accord (NTA), enshrining a minimum residential density to be permitted without discretion across all of Australia.

This would, in effect, enable townhouses and units of up to three storeys to be built in all of our nation's established areas.

Townhouses offer a more affordable housing option that is both low-impact and well-suited for the middle-ring suburbs of our cities. Unlocking their potential on a national scale is critical to solving the chronic housing shortage, as townhouses are able to be built by a broad number of firms—including “mum and dad” developers looking to capitalise on their land when downsizing and ageing in place.

This policy recommendation would implement upzoning similar to that which was so successful in Auckland—where up to three storeys can be built without a discretionary permit. The success of the Auckland reforms underlines the critical role that townhouses can play in boosting housing supply, with 68% of the city's dwelling permits in 2022 taking advantage of the new, post-upzoning rules.²



Auckland's city-wide reforms are a housing supply success story that Australia should replicate.

The results from Auckland are consistent with the broader literature that highlights how non-discretionary processes result in faster approvals and greater certainty—crucial to unlocking the housing supply Australia so desperately needs.³

Building standards are already set federally through the National Construction Code, but planning standards are not. This has led to the development and enforcement of restrictive and arbitrary rules at the state and local levels, to the great detriment of Australian housing supply and economic efficiency.

Now is the time for the Commonwealth to show leadership, spearheading a National Townhouse Accord to develop consistent and clear rules around density that can be implemented nationwide to unlock a townhouse revolution.

² Greenaway-McGrevy & Jones (2023), '[Can zoning reform change urban development patterns? Evidence from Auckland](#)', University of Auckland

³ Manville, M., Monkkonen, P., Gray, N., & Phillips, S. (2022), '[Does Discretion Delay Development? The Impact of Approval Pathways on Multifamily Housing's Time to Permit](#)', Journal of the American Planning Association, 89(3), 336–347. 1

They can use the revitalised National Competition Policy to incentivise the adaptation of the National Townhouse Accord for a consistent zoning code for townhouses and low-rise housing across Australia.

Example density standards	
Applicable zones	Residential zones
Types of homes permitted	Townhouses, flats, detached homes
Maximum height	3 storeys or 12m
Minimum setback from street	4m
Permitted site coverage	60% of site
Minimum landscaped area	20% of site
Assessment process	Code-assessed
Parking	Demand-driven

Planning rules should be simple, and provide a flexible envelope for development.

This reform can be modelled on Victoria’s Townhouse and Low-rise Code and New Zealand’s Medium Density Residential Standards, which have allowed for broad, consistent, and clear rules for building the diverse housing options that are desired by Australians.

Recommendations

- A. Set a nation-wide ‘code-assessable’ framework for townhouse development, ensuring ample permissible residential density across all urban areas.
- B. Remove local planning restrictions that are less permissive than the National Townhouse Accord framework.
- C. Exempt all developments that comply with the National Townhouse Accord from any state's third party appeal processes.

2 | Fix the National Housing Accord incentives

Pay the states to fix planning bottlenecks and build homes faster

The National Housing Accord does not provide an effective set of incentives to ensure that states are able to achieve the program's desired housing outcomes.

While the Federal Government may believe that setting an ambitious housing supply target is important in and of itself, without empowering the states to undertake the work required to reach it, the \$3.5 billion New Homes Bonus is dead in the water.

The Federal Government has the ability to provide both 'pull' and 'push' funding. While the New Homes Bonus does provide some 'pull' toward good housing supply outcomes, this pull is too far in the future to be effective. Without also providing nearer-term funding, states are unlikely to undertake the politically difficult process of reform.

This is underscored when considering the timing of the New Homes Bonus, which is set to be released five years *after* the signing of the National Housing Accord. This leaves the Bonus entirely misaligned with state and local government electoral cycles, meaning there is little incentive for governments to act in the near-term.

Without 'push' funding, state and local governments trying to meet their housing targets will incur both tangible and intangible costs now with little guarantee of a reward.

This is made even more fraught in the face of economic headwinds that make it challenging for even the most ambitious state to meet the housing target the Commonwealth has set for them.

The Federal Government should introduce a new tranche of the National Productivity Fund to be used as an incentive for states to embark on ambitious upzoning programs that enable homes to be built quickly and easily in the places where people want to live.

Recommendations

- A. A new tranche of the National Productivity Fund should deliver incentive payments for implementing a number of deliverables such as:
- a. Upzoning around transit hubs, CBDs, and core town centres.
 - b. Modernising and simplifying planning regulation.
 - c. Codifying all residential and mixed-use development with a deemed-to-comply standard.
 - d. Providing best-practice frameworks and cost-benefit analysis structures for land-use regulation and decision-making.

3 | Create a federal Targeted Infrastructure Feasibility Fund

A bang-for-buck fund to unlock homes in high-productivity areas

Over the past half-decade, Australia's housing shortage has reached a critical point—especially in well-located areas where demand is highest.

This problem has been compounded by the aftermath of the COVID-19 pandemic, which has seen soaring construction costs and mounting economic uncertainty are putting housing developments on ice across the country. The result? Fewer homes, stalled developments, and deepening affordability issues.

While government intervention on the supply side isn't easy—or cheap—the cost of inaction is far higher. If Australia is serious about addressing the housing crisis, then it is time to act decisively.

The Federal Government should introduce a Targeted Infrastructure Feasibility Fund (TIFF) with the scope to fund major core infrastructure upgrades directly, and provide interest-free and low-cost loans to overcome project bottlenecks in advance of unit sales and settlements.

Cross-party support is already emerging for apartment feasibility programs. In Western Australia, both Labor's Targeted Apartment Rebate and the Liberals' Apartment Support Program would offer direct project support by covering infrastructure connection fees—like water, wastewater, and electricity—for infill apartment developments.

As highlighted in a 2021 Housing Australia report, infrastructure contributions are often not finalised until after land has been purchased, meaning that land prices may not have all costs factored in.⁴ This introduces the problems of unforeseen costs and unnecessary delays to the housing projects our cities so desperately need.

Targeted feasibility funding would help smooth housing delivery nation-wide. A focus on infrastructure connection fees enables governments to underwrite projects in a way that has a low risk of rorting, by being hyper-targeted, scaled on a per-dwelling basis, and focused on projects that are shovel-ready.

⁴ ['Developer Contributions: How Should We Pay For New Local Infrastructure?'](#), National Housing Finance and Investment Corporation

To ensure these programs deliver maximum impact, the TIFF should focus on unlocking homes in well-located urban areas, in support of the key National Urban Policy goal of building cities that are livable, equitable, productive, and innovative.

Recommendations

- A. Create a Commonwealth-funded targeted apartment feasibility program, building on existing initiatives in Western Australia, such as Labor's Targeted Apartment Rebate and The Liberals' Apartment Support Program.
- B. Focus government support on covering infrastructure connection fees (e.g. water, wastewater, electricity) for infill apartment developments.
- C. Prioritise projects that are shovel-ready to maximise efficiency and reduce the risk of program misuse.

4 | Introduce a national occupational licencing regime

Empower tradespeople to build where they are needed most

Discussions of construction worker shortages have centred on migration pathways and apprenticeship incentives—but reforms in these areas are likely to yield only limited benefits.

This is because a major constraint remains unaddressed: an inefficient web of state-based occupational licensing regimes. Policymakers should work to reduce friction and bring down barriers that keep Australians from entering and remaining within the construction workforce, regardless of their life circumstances.

The Federal Government recently announced efforts in this direction, with a national licensing scheme for electrical trades.⁵ This is a good start, and will finally achieve the outcomes detailed in a 2013 Regulation Impact Statement (RIS) for a national occupational licensing scheme for electricians estimated this alone would boost annual GDP by almost \$30 million in today's dollars.⁶

Empowering construction workers to freely move within the borders of our nation will enable the construction sector to better respond to shortages within Australia's various markets, and will help reduce the barriers to introducing more migrant workers into our construction workforce.

Without such a scheme, efforts to increase the number of skilled professionals—drawn both from Australia itself as well as traditional source countries—will continue to face substantial barriers.

Recommendations

- A. Re-establish the National Occupational Licensing Authority with a mandate to focus on the construction sector and for the implemented scheme to be cost-positive or neutral for state/territory governments.

⁵ [National licensing for electrical trades](#), Commonwealth Treasury, March 2025

⁶ [National Licensing of Electrical Occupations – Decision RIS](#)

B. Expand the National Productivity Fund's scope and funding to include national occupational licensing to incentivise state and territory involvement with a national scheme.

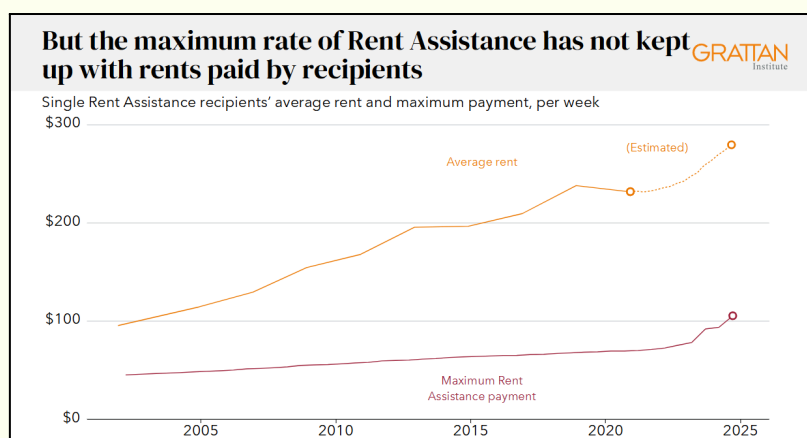
5 | Boost Commonwealth Rent Assistance

Bring payments up to a baseline—and ensure they stay there

No group is more greatly harmed by the housing shortage than low-income renters. Rates of financial stress are persistently higher among renters than among homeowners, and have particularly increased in the wake of the COVID-19 pandemic as rents have skyrocketed and income supports have been wound back.⁷

Rent Assistance is the main way that the Commonwealth supports low-income renters, by providing direct cash assistance to eligible welfare recipients who are renting on the private market, or through community housing providers. But the rate of the payment is too low—even after recent increases, a pensioner who relies solely on welfare payments has less than \$300 to spend on rent after covering everyday essentials.⁸

Since 2001 rents paid by low-income renters have significantly outpaced the growth rate of Rent Assistance, which is indexed to CPI, leading to the payment being woefully inadequate to support welfare recipients in the rental market. And eligibility for the payment is too narrow, with low-income renters who don't receive welfare payments unable to receive any assistance. While increases in cash assistance aren't a comprehensive measure to fix the housing crisis, they're clearly the most efficient and immediate ways to provide relief to Australia's most vulnerable renters, before the benefits of increased housing supply and social housing investment can be realised.



Constrained housing supply has led rents to outpace broader inflation measures.

⁷ Clarke (2025), [Cost of living: Not everyone's crisis?](#), E61 Institute.

⁸ Coates, Bowes & Moloney (2025), [Renting in retirement: Why Rent Assistance needs to rise](#), Grattan Institute.

Recommendations

- A. Raise the maximum rate of Rent Assistance by 50 per cent for singles and 40 per cent for couples, as recently recommended by the Grattan Institute.
- B. Index Rent Assistance to rents on the private market.
- C. Work with the states to expand the housing assistance available to low-income renters who are not otherwise eligible for welfare payments, especially those most at risk of homelessness.

6 | Create better incentives for public, community, and youth housing

Provide more homes for those who need them most

Current Commonwealth policies on GST and Rent Assistance create a structural disadvantage for state and territory governments who attempt to increase their public housing stock.

Current taxation and funding policy incentivises states and territories to transfer stock to community housing providers, despite no evidence-based rationale for such a significant change to the social housing system.

The structural disadvantage manifests in two main ways:

1. Public housing agencies are charged GST on all goods and services used to build, repair or maintain public housing, whilst non-profit community housing providers (CHPs) are “exempt” from GST.
2. Public housing providers cannot receive Rent Assistance to help cross-subsidise operating costs, whilst community housing tenants can. The ability of CHPs to get Rent Assistance from their tenants means that their rental revenue is higher than that of their public housing counterparts, even when the out-of-pocket costs for the tenants are the same.

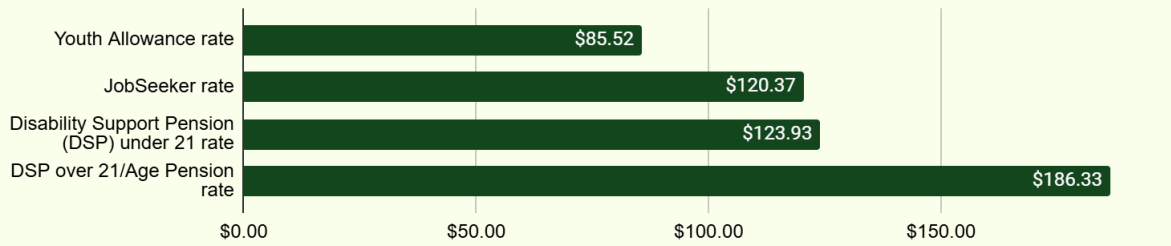
These two policies, in combination, work to make the construction and operation of public housing more expensive than their community housing for state governments.

Additionally, recent research conducted for *Home Time* highlights how the interaction between social housing rents that are set based on income, and lower income support rates for younger tenants, means that community housing providers are, in essence, penalised for providing housing to vulnerable youth.⁹ This is why other countries, such as New Zealand, have specific social housing subsidies that are better suited to enabling social housing investment.¹⁰

⁹ Nouwelant, Aminpour & Martin (2025) '[Youth community housing: Rental gap and viability issues](#)', City Futures Research Centre

¹⁰ For instance, see the [Income-related rent subsidy](#).

Weekly rent payments under typical social rent setting policies



Young people receive the lowest levels of rental support from the Commonwealth.

Recommendations

- A. Enable public housing agencies to claim GST credits.
- B. Allow public housing agencies to receive Rent Assistance, as per existing arrangements that apply to community housing providers.
- C. End the youth penalty for social housing providers by amending Rent Assistance criteria to base Rent Assistance payments on the market rents for social housing units rather than the rents paid by tenants.

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2025

An election policy guide from
Australia's leading coalition
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