

MEDIA RELEASE

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Urban Taskforce to Senate inquiry – fix productivity and fix housing supply

CEO of the Urban Taskforce, Tom Forrest, appeared before the Senate Select Committee on Productivity in Australia today to talk about housing and productivity.

Mr Forrest argued that the property development and construction sector was a microcosm of the broader challenges facing the Australian economy.

These challenges were holding back industry just when it needed to respond to the National Housing Accord's target of 1.2 million new homes by July 2029.

The following is an overview of the evidence presented to the Senate today:

Housing supply is a critical but often overlooked driver of productivity.

The Productivity Commission's report Housing Construction Productivity: Can We Fix It? finds a sharp decline in performance, with dwellings completed per hour worked falling by 53% since 1995.

The decline identified by the Commission reflects a combination of structural issues: slow and complex planning approvals, fragmented regulation across governments, limited uptake of innovation, workforce shortages and mobility constraints, and an industry dominated by small firms.

Boosting housing supply is central to easing price pressures and supporting productivity growth. It also enables skilled migration, which is essential for long-term economic growth and supporting an ageing population.

While post-COVID migration and initiatives such as the National Housing Accord and Housing Australia Future Fund (HAFF) are welcomed, there has been insufficient Commonwealth investment in enabling infrastructure.

The States have increasingly shifted these costs onto new home buyers through fees, taxes and charges -, undermining project feasibility and unfairly burdening a subset of home buyers with the costs of growth.

Planning reforms are beginning to lift approvals, but further regulatory change, particularly in the area of building regulations is needed to boost productivity and foster innovation.

Workforce shortages persist, requiring both domestic training and migration, alongside nationally consistent licensing.

Australia's industrial relations settings are of concern, with poor productivity outcomes—particularly on EBA sites—requires a stronger response from Government - including reviewing recent agreements. At the same time, rising interest rates and construction costs are reducing feasibility and slowing commencements, likely to be reflected in upcoming ABS data.

Urban Taskforce Australia's full submission to the Senate's Select Committee into Productivity can be found [here](#).

Red tape, skyrocketing input prices, under investment in housing enabling infrastructure, along with a lack of innovative solutions to housing supply are all combining to stymie housing supply and productivity.

The ongoing uncertainty in the middle east meant that the industry was facing its second supply shock this decade. The cause for reform was stronger than ever.

End

*The comments and analysis above can be attributed to **Tom Forrest**, CEO, Urban Taskforce.*

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*The **Urban Taskforce Australia** is a property development industry group, representing Australia's most prominent property developers and equity financiers.*