



HIA Policy Agenda:
Victorian Election 2026

**BUILDERS
WANT TO
BUILD**

Let's unlock Victoria's housing potential

Victorian home builders want to build.

But the state is now seen as the least competitive jurisdiction to do business in Australia, with property taxes, excessive regulations, and slow planning approvals suppressing housing supply. Home building activity remains near decade-lows

HIA members are working hard to adapt to changing regulations, shifting consumer tastes, new products and technologies, and new ways of building that are safe, compliant and efficient.

Getting more Victorians into more homes is HIA's priority, and it must be a priority for the next state government. Housing is key to our economy and underpins Victoria's highly regarded 'place to live' credentials. While housing reform is now a priority for policymakers across the political spectrum, unless this priority is supported by impactful policies, success will not occur.



300,000+

**Victorians
employed**



55,730

**New homes
built 2024/25**



\$39.6B

**Industry value
(incl. renovation)**



7.4%

**Share of Gross
State Product**

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Policy Imperatives



1. REDUCE THE REGULATORY BURDEN ON BUILDERS

Victoria's home building system is weighed down by overlapping regulations, excessive fees, and slow approvals. These add cost, time, and uncertainty to every new home. HIA is not opposed to regulation: well-targeted rules protect consumers and ensure quality. But poorly designed regulations penalise good builders while bad builders ignore them. A constant stream of additional regulatory changes are stifling confidence and productivity

HIA calls on the incoming state government to:

- Task Better Regulation Victoria to review burdens delaying new home construction and recommend reforms to reduce time from contract to completion.
- Commit to a pause on major new regulatory changes for the life of the parliament (except where they reduce burden or address health/safety emergencies).
- Provide additional funding to the Building and Plumbing Commission to target unlicensed builders.
- Update Victoria's building regulatory system to better support Modern Methods of Construction (prefabrication, modular, off-site manufacturing).



2. LOWER PROPERTY TAXES & REMOVE BARRIERS TO INVESTMENT

Currently, 43 per cent of the cost of a new Melbourne house-and-land package is comprised of government taxes, regulatory costs and charges – a figure that has increased 73 per cent since 2019, far outpacing wage growth. Victoria's tax regime is reducing investment, suppressing housing supply, and driving up rental costs.

HIA calls on the incoming state government to:

- Extend Off-the-Plan (OTP) stamp duty concessions to new house-and-land packages.
- Remove stamp duty for homes valued up to \$750,000; provide concessions up to \$1 million.
- Increase the First Homeowner Grant to \$20,000 and restore the \$20,000 regional FHOG.
- Remove the COVID Debt Levy by 2030 and raise the taxable landholding threshold to \$500,000.
- Abolish the Windfall Gains Tax.
- Remove Foreign Purchaser Additional Duty (FPAD) for new housing builds.
- Cut the absentee owner surcharge to 1.5 per cent (the 2017–2019 level).



3. BUILD A STRONGER & LARGER CONSTRUCTION WORKFORCE

Australia's residential trades workforce needs to grow by at least 30 per cent to meet housing targets. In Victoria, applications to become a licensed domestic builder have fallen 23 per cent since 2017/18. The skills shortage extends beyond trades and builders and extends to planners, building inspectors, and surveyors.

HIA calls on the incoming state government to:

- Invest in industry-based mentoring programs for apprentices and their employers.
- Make work experience compulsory for all Victorian secondary school students.
- Advocate to the federal government for increased incentives for SMEs taking on apprentices – with targeted support for women in construction and regional skill shortages.
- Invest in industry-based training academies and cadetship-type models that combine employment contracts and learning programs.
- Create a new credentials framework combining apprenticeships with business qualifications at diploma level.
- Support schools to promote apprenticeship pathways at a much earlier age.
- Investigate reducing the age to get a driver's licence from 18 to 17.



4. MAKE MORE LAND AVAILABLE TO INCREASE HOUSING SUPPLY

A steady supply of shovel-ready land is fundamental to housing affordability. Precinct Structure Plan (PSP) approvals fell alarmingly between 2020–2024. The government's 70/30 policy (70 per cent infill, 30 per cent greenfield) is not aligned with consumer behaviour – most Victorians are choosing greenfield and suburban locations.

HIA calls on the incoming state government to:

- Increase land made available in growth corridors and expand tax and non-tax incentives to improve project viability.
- Improve coordination of Precinct Structure Plans through stronger collaboration between state agencies, councils and key stakeholders.
- Drop the 70/30 target – let consumer preference, not policy, determine where homes are built.
- Encourage market-led proposals to unlock land supply, tapping private sector innovation for surplus and complex parcels.
- Improve collection and publication of planning and building approval data, capturing both approvals and applications.



5. SIMPLIFY & FAST-TRACK PLANNING DECISIONS

Victoria's planning system is among the slowest and most expensive in the nation – over 7 months and \$20,000 for an average new home approval, compared to under 4 months and \$4,000 in South Australia. Some recent reforms have been positive, but others – like canopy tree provisions and restrictive Great Design Fast Track criteria – have created new barriers.

HIA calls on the incoming state government to:

- Publish revised guidelines for urban vegetation, providing flexibility for a range of planting types suited to different land sizes.
- Revise rooftop solar energy objectives to allow installations to respond flexibly to building design requirements.
- Revise qualifying criteria for the Great Design Fast Track and Future Homes programs to expand accessibility and meaningful development.
- Review and revise cultural heritage and heritage processes to unlock development potential, reduce planning uncertainty, and improve affordability.



6. EXPAND HOUSING CHOICE

Victoria has the lowest proportion of social housing in the country – just 3 per cent of all dwellings, versus a national average of 4.5 per cent. Over 55,000 households are on the waiting list. Industry experts recommend building ~8,000 new social homes per year for a decade to catch up. HIA supports Infrastructure Victoria's call for a 15-year program to deliver 60,000 new social homes. Proposed inclusionary zoning 'contributions' in the Planning Amendment (Better Decisions Made Faster) Act 2025 risk making new housing even less financially viable – at a time when taxes and charges already account for nearly half the cost of a new home.

HIA calls on the incoming state government to:

- Set a defined social housing target for Victoria by 2051.
- Expand opportunities for Victorian SME builders to access the Construction Supplier Register and housing-related tender processes.
- Use direct subsidies and tax incentives to offset costs and make more social housing projects financially viable.
- Reform infrastructure contributions – keeping their levels low and their design simple and transparent to encourage investment across established suburbs, greenfields, regions and urban renewal areas.



BUILDERS WANT TO BUILD

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