HOUSING SUPPLY REGULATION

FIRE INDUSTRY ALLIANCE

EXECUTIVE SUMMARY

The Fire Industry Alliance (FIA) welcomes the Productivity Commission's interim report on housing supply regulation and supports its overarching objective and four best practice principles. Australia needs more homes in the places where people want to live, and the reform directions addressing land-use controls, approvals and enabling infrastructure are sound.

FIA is a co-signatory to the joint industry submission lodged by the Plumbing Industry Climate Action Centre on behalf of the plumbing, HVAC-R and fire protection industries, and endorses that submission. This submission expands on four matters specific to fire protection.

- **Firefighting water supply is housing-enabling infrastructure, and the interim report does not address it.** Hydrant flow and pressure, and the capacity of the reticulated main, determine whether higher density residential development can proceed and be occupied. Water authorities should be named explicitly among the infrastructure service providers in reform directions 4.1 and 4.2, and firefighting water supply capacity should be included in the technical studies undertaken for high-demand precincts under reform direction 3.1.
- **Fire safety requirements should be settled once, at the pattern book stage.** Deemed-to-comply assessment under reform direction 3.2 will reduce burden only where the codified rules are complete. Fire safety system requirements for three-storey and mid-rise residential development should be resolved centrally when pattern book templates are developed, rather than on every application.
- **Nationally consistent practitioner licensing is what makes lighter-touch process regulation workable.** A three-class licensing framework for fire protection work, covering Design, Install and Maintain, and Certify, provides the competence assurance that allows prescriptive controls and site-by-site discretion to be reduced safely. The National Competition Council's review of Australia's mutual recognition schemes documented how far fire protection licensing diverges between jurisdictions. That divergence is a burden on a national industry in its own right and a constraint on moving skilled practitioners to where housing is being built.
- **Modular and prefabricated housing requires a defined point of fire safety verification.** Fire protection work concealed within a module cannot practically be verified once that module is assembled. Verification must occur at the factory, before concealment, by or under the supervision of a licensed practitioner, and the point of verification should be defined nationally rather than jurisdiction by jurisdiction.

INTRODUCTION

The Commission released the interim report of its Housing Supply Regulation inquiry in July 2026 and has invited comment ahead of its final report, due to the Australian Government in March 2027. FIA thanks the Commission for the opportunity to contribute.

FIA notes that the National Construction Code and the supply of labour to the construction industry fall outside the terms of reference. It has confined its comments to matters within the reform directions that bear directly on the delivery of fire protection in new housing.

FIA's interest in this inquiry is straightforward. The reform directions will move a substantial share of Australia's housing pipeline out of detached dwellings and into Class 2 buildings, in which fire protection systems are a condition of occupation. FIA supports that shift. Its concern is that the regulatory settings be designed so that fire protection is resolved early and predictably, rather than discovered late in the process, where it can become a source of delay, cost and rework.

The Australian Fire Protection Industry

Fire protection in Australia is typically achieved via three means:

- Active fire protection (fire sprinklers, fire hydrants and fire alarm systems);
- Passive fire protection (fire rated walls, floors and ceilings and fire sealing); and
- Education.

The Fire Protection Services industry contributes over $4.2 billion to the Australian economy every year. Over 2000 businesses pay nearly $700 million in wages each year and industry revenue is projected to increase at an annualised rate of 1.5% over the five years through 2025-26, to reach $2.7 billion.

The IBISWorld Industry Report OD5424 Fire Protection Services in Australia (November 2020), claims that despite the presence of vertically integrated multinational giants, the industry has a low level of market share concentration. The two major companies have a combined market share of only 10% and are both part of large multinational companies operating globally across several related industries. Twenty years ago, the two major companies are estimated to have had 80% of the market.

There are numerous regional and local players that construct, install and service fire protection systems to small, medium, and major buildings across the full scope of class 2 to 9 buildings as well as higher risk facilities such as fuel depots, harbours, and similar developments. Over half the industry enterprises employ between one and 19 people. As the

minor players have increased their share of the total market, the industry has become more diverse, while also growing substantially.

Where twenty years ago, the two major companies offered a form of institutionalised but limited "industry" training to their people, it could be argued that the industry was less in need of regulation. However, as the industry has grown substantially and its make-up evolved it is now predominately made up of many more, smaller independent contracting companies. That market growth and diversification has provided customers with better contractor choices, better outcomes, and better pricing but, at the same time, raised the need for more over-arching regulation.

The Fire Industry Alliance

For a century, the Fire Industry Alliance has represented the most skilled and committed professionals in Australian fire protection. Across that time the industry has grown from a handful of major operators into a broad, specialised sector on which the safety of the built environment depends — and as building safety, sustainability, productivity and workforce development have risen up the national agenda, so has the case for getting fire protection right.

Our purpose is to create safer communities through better fire protection. Fire protection is the invisible guardian of the built environment: work that must perform when no one is watching and lives are on the line. The Fire Industry Alliance exists to support and equip the Members who deliver that work to the highest standard, so communities can feel secure in the places they live, work and spend their time.

The Fire Industry Alliance is an Australia-wide community of fire protection contractors, their people, suppliers and industry stakeholders, from the smallest sub-contractor through to large, national construction and service businesses. Our Members work at the frontline of fire protection, completing more than an estimated 80 per cent of the fire protection work undertaken in Australia — reach that gives the Alliance an unmatched view of how the industry operates, and the evidence base to inform the reforms that shape it.

As the leading voice for the industry, our advocacy is built on the expertise of our Members and directed at the reforms that matter most: nationally consistent licensing, stronger technical standards, and fair commercial treatment for the businesses that keep the community safe. We make the case that no one else can make — that fire protection is not just another industry, but specialised, life-safety critical disciplines that deserve to be recognised and regulated as such.

The Fire Industry Alliance has started and has supported the growth of the world-leading fire industry Registered Training Organisation, Fire Industry Training (FiT), which delivers nationally required fire industry training from campuses in Brisbane, Melbourne and Sydney.

Our standing extends beyond Australia. The Fire Industry Alliance is a member of the World Fire Emission Reduction Alliance, demonstrating the role fire protection plays in the global conversation on climate change.

These commitments rest on a clear conviction about the role of the fire protection industry and an understanding of how the industry should be regulated. The Fire Industry Alliance believes an appropriate regulatory framework should protect the safety of the community and property, provide adequate consumer protection, recognise and accommodate industry practice and standards, require the registration of practitioners, and be linked to the national training package framework. In short, we argue for better regulation, not simply more of it. That conviction drives our vision: an industry that is nationally licensed — occupationally and for contractors — that recognises the specialisation of fire protection and protects its integrity. That is the standard Australia deserves. We fight fire by aiming higher.

SUBMISSION

Firefighting water supply is housing-enabling infrastructure

The interim report identifies infrastructure coordination as a high priority for reform and cites Torana Estate in Sydney, where housing construction was postponed for several years by delayed sewerage connections. The report does not address firefighting water supply.

Fire hydrant systems, and in many buildings automatic fire sprinkler systems, draw on the reticulated water main. The flow and pressure available at the point of connection determine what can be built on a site and whether it can be occupied. Broad-based upzoning of established detached-housing areas, as proposed under reform directions 2.1 and 2.2, will increase firefighting water demand on networks that were not sized for it.

Where that constraint is identified late, at referral or at certification, the available remedies are pressure boosting, on-site water storage, or an upgrade to the main. Each carries significant cost. Each consumes site or floor area the development had allocated to something else. Each can force redesign at the stage where redesign is most expensive, and in marginal cases it could determine whether a project proceeds. The problem is the same in character as the delayed sewerage connections the Commission has already identified, and it is likely to become more common as density increases in established areas.

In response to information requests 4.1 and 4.2, FIA recommends that:

- water authorities be named explicitly among the infrastructure service providers in reform directions 4.1 and 4.2, alongside road and transport agencies;
- firefighting water supply capacity be included in the technical studies undertaken for high-demand precincts under reform direction 3.1, alongside flood risk, bushfire risk and biodiversity mapping, so that constraints are identified and funded upfront; and
- upzoning be sequenced so that water infrastructure capacity keeps pace with the density it enables, consistent with reform direction 4.2.

Fire safety requirements should be settled once, at the pattern book stage

FIA supports reform direction 3.2. Deemed-to-comply assessment against codified rules will reduce regulatory burden only where those rules are complete. If fire safety system requirements for three-storey and mid-rise residential development are not carried clearly within the codified rules, the requirement does not disappear. It re-emerges later in the process, at certification, when there is least time available to resolve it and when the cost of change is highest.

Pattern books offer a better mechanism. Where fire safety system requirements are resolved once, centrally, at the point the template is developed, every subsequent application using that template inherits a settled position. This is a genuine productivity gain, and it strengthens the case for the fast-track pathway rather than qualifying it. It requires only that templates be developed with input from appropriately licensed fire protection designers.

FIA also supports the use of coordination bodies with power to sequence referrals and resolve conflicting advice under reform direction 3.4. The Commission's own example, in which a council required native vegetation while the local fire authority required canopy reduction, is a problem of sequencing and conflict resolution rather than a case for reducing technical input. Where conflicting advice concerns a life safety matter, the coordination body's decision should be informed by the relevant technical authority rather than substitute for it.

Nationally consistent practitioner licensing

Information request 1.2 asks for examples of regulation that exemplify the features of a best practice system. FIA offers the occupational licensing of fire protection practitioners.

FIA's position, advanced consistently across jurisdictions, is a licensing framework covering Design, Install and Maintain, and Certify. Each class is defined by the work performed, linked to the national training package framework, and based on demonstrated competence.

This bears directly on the Commission's reform task. The reform directions reduce prescriptive controls, reduce site-by-site discretion, and shift assessment toward codified rules and deemed-to-comply pathways. That approach depends on the work being performed correctly by the person performing it, because the process controls that would otherwise catch an error are being removed by design. Licensing is what allows that trade to be made safely, and it achieves the outcome at lower cost than the process regulation it displaces. It is an illustration of the Commission's second principle, to regulate only where necessary, applied at the point in the system where the risk actually sits.

The obstacle is fragmentation, and it is now well documented. The National Competition Council's final report to the Council on Federal Financial Relations, delivered in August 2026, examined Australia's mutual recognition schemes for workers and set out how fire safety practitioner licensing varies across the country. Practitioners are regulated under plumbing regulations in Victoria, South Australia and the Australian Capital Territory, under building and construction regulations in New South Wales and Queensland, and under fire regulations in Tasmania. They are not licensed at all in Western Australia or the Northern Territory. The activities a licence covers, the number of streams of practice, and the responsible regulator all differ substantially between jurisdictions. The Council also recorded FIA's evidence that nationally recognised fire protection qualifications are not

consistently required across jurisdictions, despite being identified in the Australian Building Codes Board's National Registration Framework.

The consequence for housing supply is direct. A fire protection contractor operating nationally holds multiple licences, pays multiple sets of annual fees, and works to different scopes of practice for substantially the same work. That is a regulatory burden on a national industry in its own right, and it constrains the movement of skilled practitioners toward the places where housing is being built.

The Council found that national licensing is most likely to deliver net benefits where an occupation involves significant risks that would benefit from nationally consistent standards and is underpinned by nationally consistent training, and favoured a graduated approach beginning with the removal of barriers to mutual recognition and improved regulatory harmonisation. Fire protection meets those criteria.

FIA does not ask the Commission to resolve the design of fire protection licensing in this inquiry. In response to information request 5.1, FIA submits that the Australian Government can support states and territories toward best practice by treating the harmonisation of fire protection licensing as part of the same reform task, rather than as a separate occupational licensing question to be addressed elsewhere, and asks that the final report recognise the link between a nationally consistent licensed workforce and the deliverability of the reform directions.

Fire safety verification in modular and prefabricated housing

The interim report notes that chapter 3 reviews how the housing regulatory system can support more productive methods of construction, including prefabricated and modular housing. FIA supports the adoption of these methods. An increasing range of systems incorporating active fire protection, including sprinklers, hydrants, detection and alarm, and passive fire protection, including fire-rated walls, floors and ceilings and fire sealing, is now built into volumetric modules and panelised systems off site.

FIA set out its position on these arrangements in detail in its September 2026 submission to the Australian Building Codes Board on the proposed National Voluntary Certification Scheme for Manufacturers of Prefabricated Construction. Three points from that submission bear on the Commission's reform task.

Fire protection is captured by prefabrication frameworks but is not yet addressed explicitly within them. Integrated services in volumetric and panelised systems, and engineered products, all capture fire protection work. A module or panelised wall may contain concealed sprinkler pipework, detection wiring, fire dampers, and fire-rated separation and penetration sealing. Where a framework does not deal with that work directly, fire safety risks falling into the gap between factory-level certification and on-site building approval. That gap is a source of delay at the point of occupation, which is the most expensive stage at which to discover a problem.

Concealed work must be verified before it is concealed. Once sprinkler and detection services, fire dampers and fire-rated separation are enclosed within walls, ceilings and floors, that work cannot practically be verified on site. It requires verification at the factory, by or under the supervision of an appropriately licensed practitioner, before concealment and before the module leaves the factory. Getting this right is what allows on-site re-inspection to be reduced, which is the productivity gain prefabrication is intended to deliver. Getting it wrong leaves either an unverified building or an on-site inspection regime that removes the advantage. FIA supports modernised arrangements suited to manufacturing environments, including notification and start-work arrangements that allow specialised fire protection work to be inspected during off-site construction. The objective should be inspection arrangements that reflect how prefabrication is actually undertaken, not the removal of independent verification.

Certifying a factory is not the same as verifying a building. Fire safety systems are commissioned as whole-of-building systems that span multiple modules and the site connection. A first-party declaration of conformity for a module is not verification that the installed and commissioned system performs as intended. The chain of responsibility needs to run visibly and enforceably from design through manufacture to installation and commissioning, with clarity about which party is accountable at each stage and how responsibility transfers at the factory gate, in transport, and at installation.

Underpinning all three is a single principle. The design, manufacture, installation and commissioning of fire protection systems should be carried out only by appropriately licensed or registered practitioners, whether the work is performed on site or off site, and no alternative pathway to trade-based licensing should be created for overseas manufacturers or for automated production. Offshoring or automating a factory does not change the life-safety risk of a sprinkler, detection or suppression system, or of a fire-rated barrier. Licensing exists because the risk resides in the work itself, wherever and however it is performed.

FIA asks that the Commission's final report reflect these settings in any recommendation on prefabricated and modular housing, and that the point of verification be defined nationally rather than jurisdiction by jurisdiction, so that a module manufactured in one state can be installed in another without a second regulatory conversation.

CONCLUSION

FIA supports the direction of the interim report and the priority it gives to land-use reform and infrastructure coordination. The four matters raised in this submission are offered to make those reforms work as intended, not to qualify them.

The common thread is timing and competence. Firefighting water supply, fire safety requirements in codified pathways, and verification of off-site work are each capable of being resolved early, once, and centrally. Left to be discovered late, each becomes a source of delay and cost of exactly the kind the Commission is seeking to remove.