

16 June 2026

Housing Supply Regulation Inquiry
Productivity Commission
GPO Box 1428
CANBERRA ACT 2601

Email: housing.supply@pc.gov.au

Dear Commissioners

Bundaberg Regional Council Submission — Productivity Commission Housing Supply Regulation Inquiry

Bundaberg Regional Council welcomes the opportunity to contribute to the Productivity Commission inquiry into housing supply regulation. Bundaberg Regional Council plays a critical role in land use planning, development approval and building compliance in the region. Council has invested significant time and resources in responding to the local housing crisis. Council remains committed to working in partnership with other levels of government, the local development industry, housing providers and the broader community to effectively address housing supply and affordability challenges.

Council considers that greater assistance by the state and federal government should be provided to local government to introduce digital planning and permitting technologies to support and assist the development industry. Council recommends that ongoing support is required to help local governments to implement and maintain these tools. Such technologies should not only streamline application and assessment processes but also assist the construction industry by providing consistent, accessible information on local planning controls. By way of example, the Queensland *Planning Act (2016)* requires planning applications to be submitted using pdf forms, rather than online electronic lodgement forms which would expedite lodgement and reduce manual data entry (among other potential benefits). The use of electronic forms will also better align with AI development assessment initiatives currently being considered by many Councils across Australia.

Housing regulation is one aspect of addressing the housing needs of our local community. Council currently has a supply of over 3,600 residential lots with planning approvals, with approx. 25% of these ready for construction. Bundaberg Regional Council approvals processes and timeframes are typically well within and shorter than the statutory

timeframes set out in the Queensland *Planning Act (2016)*. In 2025, 773 residential lots were approved, which is an increase of 292% compared with the previous year and 355 operational works were approved which is an increase by 17.9% compared with the previous year. Despite these strong approval figures, there remains challenges converting approvals into actual constructed development.

Another challenge to increasing housing supply is a lack of housing diversity to suit different budgets and needs. There is a prevailing preference amongst developers in the region to construct single-storey 4-bedroom houses on larger lots at around 800sqm. The local market is also being impacted by significant investment in over 50s lifestyle resorts, which primarily cater for retirees migrating to the region for lifestyle and affordability factors (relative to other markets). This is further impacting availability and affordability of housing for other parts of the community, including first-home buyers and locals. Efforts by Council to incentivize housing diversity through faster approvals and reduced infrastructure charges has not been sufficient to align the market with the diverse and evolving needs of the Bundaberg Region.

Factors beyond housing regulation such as regional workforce capacity, skills shortages and workplace conditions, and labour mobility are also limiting the delivery of new housing. This can result in project delays and increased compliance requirements for poorly built civil infrastructure in new housing developments. Council's development engineers have reported an increase in defects in civil infrastructure works which require rectification before a project can proceed. Council appreciates this can then cause delays in a project with tight deadlines. However, rectification works are necessary to ensure these long-term assets are built to standard and to reduce maintenance costs over the life of the asset.

Additional factors that affect housing supply include supply chain pressures, costs of building materials, the crowding out of investment and capacity of the construction industry to deliver new housing due to competition with major infrastructure projects. These pressures will not ease as investment increases to deliver the Brisbane 2032 games as well as sustained pressure on global supply chains.

Bundaberg Regional Council welcomes the Queensland government's investment in trunk infrastructure through the Residential Activation Fund. Council was the recipient of \$11 million under Round 1 which has supported Council to accelerate the delivery of essential trunk infrastructure in growth areas across the region. Council was pleased to see the federal government commit funding for trunk infrastructure as part of the 2026-27 budget. While this funding is welcome, it is not enough to fund the necessary trunk infrastructure to unlock large areas of urban development especially with cost increases across the construction sector supply chain.

Continuing to fund trunk infrastructure through competitive grants is inconsistent, creates uncertainty and fails to address the ongoing financial sustainability challenges faced by local governments. Council has a comprehensive capital works program that seeks to maintain existing trunk infrastructure, expand networks and build community assets and respond to natural disasters such as the March 2026 floods.

The provision of trunk infrastructure to support growth and new housing places additional pressure on Council's budget and capital works program but can also significantly impact development feasibility and the ultimate take up of development approvals (even though the cost of this infrastructure is ultimately met by Council through infrastructure charges offsets). Reforms that seek to reduce infrastructure charges or remove conditions on developers to provide necessary infrastructure is short sighted and will only serve to further impact local government financial sustainability.

Council has concerns that reducing or removing planning requirements may have unintended consequences for local communities for uncertain affordability benefits. Council recommends the Productivity Commission undertake detailed modelling to examine the costs and benefits of any changes.

Council does not support measures that would weaken existing planning requirements in a manner that overrides or circumvents Council's authority to make or amend local planning instruments aligned with community needs and expectations.

If you have any queries regarding this matter, please contact Council's Manager Land Use Planning and Policy Mr Evan Fritz on [Redacted] or via email [Redacted] with reference to A10830919.

Yours sincerely

Michael Ellery
General Man