An Australian Government Initiative

Regional Development Australia
LIMESTONE COAST

Committee Secretary
PO Box 6100
Parliament House
Canberra ACT 2600

30 September 2026

Dear Secretary,

Inquiry into Housing Supply Regulation

Regional Development Australia Limestone Coast (RDALC) welcomes the opportunity to respond to the Productivity Commission's Interim Report into Housing Supply Regulation.

RDALC supports the Commission's overarching objective of a housing and planning regulatory system that enables enough housing to be delivered where it is needed. We broadly support the four principles identified in the Interim Report: adopting a 'build' mindset, regulating only where necessary, coordinating housing with infrastructure and keeping planning processes simple.

The Interim Report identifies land-use regulation, housing-enabling infrastructure and development approval processes as key areas for reform. These issues are highly relevant to the Limestone Coast. However, their impact must be considered within the different economic and development conditions experienced in regional housing markets.

Australia needs more homes. For regional Australia, however, faster or simpler approvals alone will not solve the problem. Across the Limestone Coast, housing shortages are constraining workforce attraction, business growth, essential services and community liveability. Regional housing markets face challenges that differ from metropolitan areas, including higher construction and transport costs, smaller development markets, infrastructure constraints, ageing housing stock and limited commercial returns.

For the Limestone Coast, three interconnected issues are critical to increasing housing supply:

- Whether residential land is genuinely development ready
- Whether the infrastructure required to support housing is available and affordable
- Whether there is a commercially viable pathway from approval to construction.

Housing is essential regional infrastructure. National housing reform must therefore address not only how quickly housing can be approved, but whether approved housing can ultimately be delivered.

The Limestone Coast is home to approximately 69,700 people[1], with Mount Gambier serving as South Australia's largest regional city and a major service centre for a broader cross-border population.

Population growth across the region is already tracking ahead of earlier projections, reinforcing the need for housing and infrastructure planning to keep pace with the region's changing needs.

The Limestone Coast Regional Plan projects population growth of 18,045 people by 2051, requiring approximately 8,805 additional dwellings across the Limestone Coast by 2051[2].

The more immediate challenge is significant. Approximately 288 additional dwellings are required each year to meet projected population growth to 2031, compared with a historical average of approximately 241 dwellings constructed annually[2].

This represents a current delivery gap of approximately 47 homes each year, before considering the potential implications of population growth occurring faster than previously anticipated.

Recent population growth indicates the Limestone Coast is reaching projected population milestones earlier than anticipated. This places further pressure on housing supply and suggests current dwelling projections may underestimate future requirements.

Without increased housing delivery, supply risks falling further behind population growth, constraining workforce attraction and retention, business growth and the region's broader economic development.

Housing shortages directly affect the region's ability to attract and retain doctors, nurses, teachers, childcare educators, emergency workers, tradespeople and other skilled workers. They also restrict business investment, migration and the delivery of major regional projects.

Housing supply is therefore not simply a housing policy issue. It is a workforce, productivity and regional development issue.

1. Land-use regulation: Zoned land is not the same as development-ready land

RDALC supports the Productivity Commission's focus on reviewing land-use regulation where controls unnecessarily prevent housing development, restrict housing choice or make appropriate development commercially unviable.

However, the regional experience demonstrates why housing supply cannot be assessed simply by the amount of land zoned for residential development.

The Limestone Coast Regional Plan identifies sufficient residentially zoned land to accommodate projected regional growth. However, much of that land is not development ready.

Land may be appropriately zoned but lack water, sewerage, stormwater, roads, power or other essential infrastructure. Development may be constrained by subdivision or planning requirements. A landowner may have no intention to develop. Alternatively, servicing and construction costs may make development commercially unviable.

Zoned land is not the same as available housing. This distinction is particularly important when governments assess regional land supply. A theoretical supply of residential land does little to address a housing shortage if that land cannot realistically progress to development.

National and state housing policy should therefore move beyond measuring zoned land and develop a clearer measure of development-ready land.

This should consider planning and subdivision constraints, infrastructure availability and capacity, servicing costs, landowner intentions and commercial viability.

Planning systems should also provide sufficient flexibility to respond to changing regional housing needs. This includes appropriate opportunities for smaller homes, secondary dwellings, modular and prefabricated housing, adaptive reuse and appropriately designed higher-density housing.

Regulatory reform should remove requirements that unnecessarily restrict housing supply or make appropriate development unviable, while maintaining necessary protections for safety, environmental, cultural and community outcomes.

Regulatory reforms should take account of the important role that local governments play in longer term planning including zoning of land, noting again that Council's are more able to fulfill an essential partnership role if associated infrastructure planning occurs alongside consideration of zones.

The objective should not simply be to zone more land. It should be to enable land to become homes.

2. Housing-enabling infrastructure: Regional development requires investment as well as coordination

RDALC strongly supports the Productivity Commission's finding that housing and infrastructure planning needs to be better coordinated. For regional communities, however, coordination must be accompanied by investment. Water, sewerage, stormwater, roads, power and other enabling infrastructure can determine whether residential development is financially and practically achievable.

The Limestone Coast Regional Growth Strategy 2025–2030 identifies housing availability and affordability as a major constraint to regional growth, alongside workforce shortages and enabling infrastructure[3].

Smaller regional development markets can make the cost of extending or upgrading infrastructure difficult to recover through an individual development. A project may have demonstrated housing demand and suitable land but remain unviable because the upfront cost of infrastructure cannot be absorbed by the development. This creates a structural barrier to regional housing supply.

The Productivity Commission should therefore consider not simply whether land is zoned for housing, but whether it has the water, sewerage, stormwater, roads, power and other infrastructure required for development and whether the cost of providing that infrastructure makes development commercially achievable.

Funding to support infrastructure required to unlock residential development in regional communities is essential. Investment should be targeted to locations where housing demand and regional economic need can be demonstrated but infrastructure constraints are preventing development.

Governments, councils, infrastructure providers and developers should work together to identify priority development areas, determine infrastructure requirements and establish clear responsibility for funding and delivery. If governments want regional communities to grow, the infrastructure required to support that growth must be part of the housing solution.

3. Development approvals and viability: A faster approval does not guarantee a home

RDALC supports the Productivity Commission's objective of making housing approval processes simpler, faster and more predictable.

Unnecessary delays, regulatory duplication, inconsistent requirements and uncertainty add time and cost to housing development and should be addressed.

However, faster approvals alone will not resolve the Limestone Coast's housing shortage.

Housing development in regional communities operates under different economic conditions from metropolitan development. Smaller markets, fewer developers, higher freight costs, workforce shortages and lower development returns can make projects commercially marginal even where housing demand is demonstrated.

Additional regulatory costs, uncertainty and delays can further undermine feasibility. Removing these barriers is important, but doing so will not necessarily make an otherwise marginal development viable.

Recent residential building approvals in the Limestone Coast demonstrate why approvals should not be confused with housing delivery. An approved dwelling does not necessarily proceed to construction, and approval numbers alone do not demonstrate whether sufficient completed housing is entering the market in the locations, timeframes and forms required. An approval does not house a family. A completed home does.

National housing reform must therefore consider the entire pathway:

Identified housing need → suitable land → development-ready land → enabling infrastructure → approval → finance → construction → completed home

A failure at any point in this pathway means the housing is not delivered.

For regional Australia, regulatory reform should therefore be accompanied by enabling infrastructure investment, targeted incentives for commercially marginal developments, support for alternative housing models and partnerships between governments, councils, employers, community housing providers and regional organisations.

Regional communities are already acting. Local intervention is already occurring across the Limestone Coast because the market alone is not meeting housing need. Tatiara District Council, for example, has invested in residential development and essential-worker accommodation in Bordertown, including building 55 new homes to support population and productivity growth. Regional employers have also invested directly in accommodation to house workers. One example is the Tatiara meatworks purchasing motel accommodation for migrant workers[5].

These initiatives demonstrate both the scale of the housing challenge and the willingness of regional communities to develop practical solutions. However, councils and businesses should not have to carry the housing challenge alone. Governments should partner with regional communities that are prepared to develop practical, place-based solutions and co-invest where market conditions alone are insufficient to deliver the housing required. RDALC is aware that the Limestone Coast Local Government Association is also making a submission to the Inquiry and refers you also to that submission for a more comprehensive view of the work regional local government is undertaking to contribute to solutions to the housing issue.

New construction is essential, but increasing regional housing supply should also include making better use of existing housing stock. Approximately 17 per cent of Limestone Coast dwellings are recorded as unoccupied, compared with a South Australian benchmark of 10.8 per cent[2]. There are legitimate reasons for some of this vacancy. Coastal holiday homes, farmhouses and properties retained for future use contribute to the figure, and not every unoccupied dwelling can or should return to permanent residential use. However, the scale warrants investigation.

The Australian Government should support regional housing stock audits to identify vacant and underutilised properties, ageing housing requiring renovation, vacant government assets and buildings potentially suitable for residential conversion. A targeted Regional Homes Renewal Program could provide grants or concessional finance to return suitable existing properties to long-term residential use.

Regional housing policy should also consider opportunities presented by larger residential allotments, including appropriately designed smaller and secondary dwellings. This could increase housing diversity, support ageing in place and potentially make larger family homes available to new households.

In some communities, restoring an existing home may be faster and more cost-effective than building a new one.

Housing is economic and social infrastructure. Housing shortages have consequences well beyond the housing market. When a doctor cannot relocate because there is nowhere suitable to live, housing becomes a health workforce issue. When a teacher cannot take a regional position, it becomes an education issue. When a business cannot recruit workers, it becomes a productivity issue. When families cannot find secure and affordable accommodation, it becomes a community wellbeing issue. Housing is a basic human need that provides safety, stability and security and underpins an individual’s ability to participate in employment, education, family and community life.

In a regional context such as the Limestone Coast, access to housing is therefore not only a social issue. It is an essential part of building strong communities, supporting the workforce and enabling long-term regional prosperity. Housing must be recognised as essential economic and social infrastructure.

Recommendations

Regional Development Australia Limestone Coast recommends that the Productivity Commission:

1. **Recognise housing as essential regional economic and social infrastructure**, critical to workforce attraction, productivity, essential services and community wellbeing.
2. **Apply a regional lens to national housing reform**, recognising that metropolitan regulatory and development models do not always translate to smaller regional housing markets.
3. **Measure development-ready land rather than zoned land**, incorporating planning and subdivision constraints, infrastructure availability and capacity, servicing costs, landowner intentions and commercial viability.
4. **Support ongoing structural funding** to support water, sewerage, stormwater, roads, power and other infrastructure required to convert zoned residential land into development-ready land.
5. **Improve the timeliness, predictability and coordination of regional development pathways**, reducing unnecessary regulatory duplication, delays and uncertainty between levels of government and infrastructure providers.
6. **Remove unnecessary regulatory barriers to housing diversity**, including smaller homes, modular and prefabricated construction, secondary dwellings, adaptive reuse and appropriately designed higher-density housing, while retaining necessary safety, environmental, cultural and community protections, informed by local knowledge.
7. **Provide targeted incentives for regional housing development** where housing demand is demonstrated but infrastructure costs, construction costs or smaller market returns make development commercially marginal.
8. **Expand investment in essential-worker housing**, enabling partnerships between governments, councils, employers and community housing providers.
9. **Fund regional housing stock audits and renewal**, identifying vacant and ageing properties, underutilised government assets and opportunities to return suitable dwellings to long-term residential use.
10. **Support locally led housing solutions**, including co-investment with councils, employers and regional organisations already prepared to act.
11. **Set and report regional housing delivery targets**, ensuring progress under national housing initiatives can be measured outside Australia’s metropolitan areas and focuses on completed housing rather than approvals alone.

Conclusion

The Limestone Coast is ready for growth, but housing supply is not keeping pace. The region requires approximately 8,805 additional dwellings by 2051, with population growth already reaching projected milestones earlier than anticipated[2].

Without sufficient housing, the region cannot attract and retain the workforce it needs, support essential services, enable business investment or realise its full economic potential.

The Productivity Commission’s Interim Report correctly identifies land-use regulation, housing-enabling infrastructure and development approvals as important influences on housing supply. In regional Australia, however, these issues cannot be addressed in isolation. The entire pathway from land to home must work.

Land must be genuinely development ready. Infrastructure must be available and funded. Approval pathways must be timely and predictable. Development must be commercially viable. Construction capacity must exist. Existing housing must be better utilised.

The Limestone Coast is already acting. Councils, businesses and communities are investing in housing and pursuing local solutions because they understand what is at stake. But they cannot, and should not, be expected to solve a structural housing challenge alone.

The Limestone Coast Regional Growth Strategy 2025–2030 sets a clear ambition for the region to Live, Work, Visit and Build[3]. Housing underpins every one of those ambitions.

The opportunity presented by this Inquiry is therefore greater than making housing easier to approve. It is to ensure regional communities have the regulatory settings, infrastructure investment and development conditions needed to turn approvals into homes.

Regional Australia cannot grow its population, workforce or productivity without housing. The Limestone Coast is ready to grow. Housing policy and investment must enable that growth, not determine its limits.

Yours sincerely,

Sarah Philpott
Interim Chief Executive Officer- Regional Development Australia Limestone Coast

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References

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Government of South Australia, *Limestone Coast Regional Plan*[2]

Regional Development Australia Limestone Coast and Limestone Coast Local Government Association, *Limestone Coast Regional Growth Strategy 2025–2030*[3]

Regional Development Australia Limestone Coast, *.id Economic and Community Profiles*[4]

Tatiara District Council, relevant housing and worker accommodation documentation[5]