



An Australian Government Initiative



30th September 2026

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

To whom it may concern,

Submission to the Productivity Commission – Housing supply regulation – Interim Report

Regional Development Australia Loddon Mallee (RDA LM), Loddon Campaspe Regional Partnership (LCRP) and Mallee Regional Partnership (MRP) welcome the opportunity to respond to the Productivity Commission's Interim Report on Housing Supply Regulation.

The Loddon-Mallee region has a complex economic profile given its geographic spread. The Loddon Mallee region has approximately 340,000 residents spread across the 10 council areas, representing almost 5 per cent of Victoria's population. The region contributes about 3 per cent of the state's GSP and has over 129,000 jobs. The key employment sectors for the region are healthcare and social assistance, retail, manufacturing, tourism and hospitality, and agriculture.

RDA Loddon Mallee's submission is partly informed by the Loddon Mallee Housing Action Plan, which identified key barriers to housing delivery across the region, including infrastructure constraints, development feasibility, land availability, planning capacity and workforce housing. While the Action Plan was developed approximately five years ago, many of the underlying challenges it identified remain relevant and continue to inform RDA Loddon Mallee's priorities for housing reform.

We collectively support the Commission's principles for better housing regulation: adopting a "build" mindset, regulating only where necessary, coordinating housing with infrastructure, and keeping assessment processes simple, timely and predictable. We particularly welcome the recognition that land-use reform and enabling infrastructure are critical to increasing housing supply, and that faster approvals alone will not be sufficient.

The distinction between land that is zoned and land that is serviced, infrastructure-ready and commercially feasible is particularly important for regional Australia. The Loddon Mallee is geographically and economically diverse, and housing constraints affect major regional centres, smaller rural communities and cross-border settlements differently. National reform should allow for place-based responses that reflect market size, infrastructure capacity, development feasibility, natural hazards and workforce demand.



An Australian Government Initiative



Regional housing is an economic issue – housing shortages constrain workforce attraction, business investment, productivity and the delivery of essential services. The success of housing reforms should focus on holistic outcomes, by measuring commercially feasible, completed and occupied dwellings and the workforce and economic outcomes they enable.

Our submission highlights four priorities:

1. Infrastructure is a major constraint – the cost and availability of water, sewerage, power and other enabling infrastructure can make otherwise suitable regional housing developments unviable. More flexible, coordinated and place-based approaches to infrastructure planning, financing and delivery are required.
2. Fast-tracking housing for key workers – regional workforce shortages are compounded by limited housing availability. Building on initiatives such as the Victorian Government's Regional Worker Accommodation Fund, an enduring and flexible Commonwealth funding mechanism could support keyworker, community, employer-supported and other market-constrained housing through a consistent pipeline of investment and innovative delivery models.
3. Place-based planning reform – regional planning frameworks need flexibility to respond to different market conditions, demographics, climate, water availability and transport access. Streamlined pathways should support appropriate infill and housing diversity, alongside greater coordination across cross-border communities.
4. Strengthening local government capability – regional councils require access to specialist expertise, coordinated agency referrals and shared regional resources to manage increasingly complex planning requirements while retaining valuable local knowledge and community input.

Overall, we support the Commission's reform direction but emphasise that housing reform must address both the ability to approve development and the practical capacity to deliver it. Housing supply reforms must also respond to regional and rural contexts, recognising that tangible outcomes depend on aligning infrastructure investment, commercial feasibility, workforce demand, place-based planning and strong local delivery capability.

We appreciate the opportunity to contribute to this important inquiry and look forward to the Commission's final recommendations.

Yours sincerely,

Leonie Burrows OAM
Chair
Regional Development
Australia Loddon Mallee

Tricia Currie
Chair
Loddon Campaspe
Regional Partnership

Florence Davidson
Chair
Mallee Regional
Partnership



An Australian Government Initiative



1 Regional Development Australia and Regional Partnerships

The Regional Development Australia Loddon Mallee committee is one of 52 Regional Development Australia (RDA) Committees established by the Australian Government. RDA committees advance economic development, attract investment and create jobs across Australia. The committees identify economic opportunities and leverage private and public sector investment to the regions; they engage across government, business and community organisations to develop confident regional economies that harness their competitive advantages. In Victoria, RDAs are also supported by the Victorian Government.

The Loddon Campaspe and Mallee Regional Partnerships are two of nine Partnerships across the state, established by the Victorian Government in recognition that the local communities are in the best position to understand the challenges and opportunities faced by their region.

1.1 Loddon Campaspe Region

The central Victoria region has a diverse population and a buoyant economy based on agriculture, retail, health and manufacturing. Bendigo, one of Victoria's largest and fastest growing regional cities, lies at the heart of the region and is a prosperous and vibrant hub of cultural and economic activity. [Victoria's Housing Statement](#) calls for an additional 37,000 homes in Greater Bendigo by 2051 with smaller targets across the rest of the region. The region includes:

- Six municipalities ([Campaspe Shire](#), [Central Goldfields Shire](#), [City of Greater Bendigo](#), [Loddon Shire](#), [Macedon Ranges Shire](#), [Mount Alexander Shire](#))
- Gross Regional Product of \$16 billion² (2023-24)
- Population of 260,000³ (2023-24)
- Top employing sectors include Health Care and Social Assistance, Construction, Manufacturing, Education and Training, Retail Trade⁴
- Top Sectors by Gross Value Add (GVA) include Health Care and Social Assistance, Agriculture, Forestry and Fishing, Manufacturing, Construction and Financial and Insurance Services.⁵
- Employment of 129,500⁶ (2023-24)
- Unemployment Rate of 3.4%⁷ (June Qtr 2025)
- Population Growth of 19% between 2021 and 2036⁸

1.2 Mallee Region

Bordered by the Murray River in the north and South Australia in the west, the region includes the outback region of far north-west Victoria. Irrigated agriculture and broadacre cropping drive the Mallee's economy; with the areas surrounding Mildura, Robinvale and Swan Hill providing Victoria's most productive horticultural land.

The Murray River, which runs along the northern border of the region, provides access to substantial irrigation water supply. It also lures tourists and people seeking a lifestyle change. The region includes:



An Australian Government Initiative



Four municipalities ([Buloke Shire](#), [Gannawarra Shire](#), [Mildura Rural City](#), [Swan Hill Rural City](#))

- Gross Regional Product of \$76 billion¹ (2023-24)
- Population of 95,100² (2023-24)
- Top employing sectors include Agriculture, Forestry and Fishing, Health Care and Social Assistance, Retail Trade, Education and Training, Construction³
- Top Sectors by Gross Value Add (CVA) include Agriculture, Forestry and Fishing, Health Care and Social Assistance, Retail Trade, Manufacturing and Construction⁴
- Employment of 48,100 (2023-24)⁵
- Unemployment Rate of 2.9%⁶ (June Qtr 2025)

1.3 Tri-State Economic Zone

The Tri-State Economic Zone encompasses the Murray Mallee Region, a large cross-border area spanning three jurisdictions and covering approximately 1,774 km²—about 75% of the size of the Australian Capital Territory. It has a diverse and distinctive economic base, supporting a population of more than 100,000 people and over 42,000 local jobs.

Differing state regulations, licensing requirements, and access to services can create barriers to workforce mobility and access across the Loddon Mallee's cross-border communities. Furthermore, population and economic data are often difficult to coordinate across state boundaries, complicating government efforts to design and implement targeted initiatives.

Basic economic estimates for the identified Tri-State Economic Zone includes:

- Comprises of Loddon Mallee, Murray and Murraylands and Riverland Regional Development Australia (RDA) regions.
- Estimated to generate more than \$15 billion in economic activity contributing \$7.66 billion GRP, 43,252 jobs and \$4.93 billion exports
- Population of 100,734.
- Per worker Gross Regional Product of \$177.20k
- Labour Force Participation Rate of 56.3%
- Top employing sectors include Livestock, Grains and other Agriculture, Retail Trade, Education and Training, Health Care Service, Residential Care and Social Assistance Services.



An Australian Government Initiative



2 Improving Housing Supply in Loddon Mallee is an economic priority

Housing shortages in regional communities are an economic constraint, limiting workforce attraction, business investment, regional productivity and the delivery of essential services.

Modelling undertaken through the Loddon Mallee region estimated that housing-related workforce constraints could reduce annual Gross Regional Product by \$44 million to \$218 million under the scenarios examined, demonstrating the link between housing availability, workforce participation and regional productivity.

We recommend recognising housing as critical economic enabling infrastructure. As a result, the success of housing supply reforms should focus on holistic outcomes, by measuring commercially feasible, completed and occupied dwellings and the workforce and economic outcomes they enable.

The following reflects the key barriers influencing housing supply across the Loddon Mallee and priority action areas to address housing shortages and unlock economic growth.

2.1 Infrastructure is a major constraint

Infrastructure availability, sequencing and cost are among the most significant barriers to housing delivery in regional communities. Even where land is zoned or otherwise suitable, upgrades to water, sewerage, power, roads and transport connections can make projects commercially unviable, particularly in smaller markets where sale prices are lower but planning complexity and construction costs are comparable to metropolitan areas.

Regional and rural towns can also be disadvantaged in competitive funding processes because projects are often smaller in scale and may deliver fewer dwellings in absolute. This is despite these projects having a significant impact on housing uplift and unlocking business growth, which is often constrained by local workforce availability. Assessment frameworks should therefore recognise regional and rural servicing costs and measure benefits relative to the size, need and economics of the local market, so they are not disadvantaged against larger metropolitan projects.

This submission supports equitable, transparent and needs-based infrastructure investment that recognises regional servicing costs and prioritises projects based on demonstrated need, housing unlocked and place-based economic benefit, recognising that enabling infrastructure is fundamental to converting development potential into completed housing.

Newbridge, in Loddon Shire, illustrates this challenge. Growth is constrained by the lack of reticulated water and sewerage, which cannot readily be met by Coliban Water without increasing costs to customers. A third-party financing or guarantee mechanism could help unlock the enabling infrastructure needed to support future housing growth.

Governments should explore innovative servicing and financing models, including approaches that distribute major infrastructure costs across multiple developments rather than placing the burden on



An Australian Government Initiative



individual projects. This scaled approach to planning, supported by early and costed infrastructure feasibility assessments, could improve investment sequencing and distribute costs more equitably.

The Australian Government could also play a stronger coordination and facilitation role, bringing together developers, regional water and utility authorities, and state funding bodies early in the development process. Infrastructure investment should also incorporate climate-resilient design appropriate to regional risks, including flood and bushfire.

2.2 Fast-tracking housing for keyworkers

Regional workforce shortages are compounded by limited access to suitable housing, particularly in essential sectors such as healthcare, education, agriculture, construction and transport. This submission supports building on co-investment models such as the Victorian Government's Regional Worker Accommodation Fund (RWAf), alongside streamlined planning pathways for keyworker, employer-supported and community housing projects.

Experience in the Loddon Mallee demonstrates the value of targeted co-investment. Eleven RWAf-supported projects are expected to deliver over 170 additional bedrooms across the region, including accommodation for health workers and visiting professionals in Kyabram, housing for childcare workers in Irymple and for healthcare workers in Kerang. These projects demonstrate how government and employer partnerships, combined with modular construction, can respond to workforce housing needs in regional communities.

The Mount Alexander Affordable Housing Trust provides another innovative regional model, bringing together Council, philanthropic and community housing investment to deliver affordable housing. Its first emerging project in Maldon combines Mount Alexander Council and philanthropic funding, modular construction and professional community-housing management, demonstrating the potential for local partnerships and flexible delivery models to address housing gaps that the private market may not meet.

This submission supports partnerships between governments, community housing providers, employers and other delivery partners to provide both transitional and long-term accommodation. Planning pathways should be streamlined for projects responding to demonstrated regional workforce needs, including modular and temporary housing where appropriate.

An enduring Commonwealth regional housing fund would provide greater certainty and support a sustained pipeline of projects, rather than relying on periodic funding rounds. This would improve planning and delivery, encourage broader participation from employers, housing providers and investors, and enable flexible financing and delivery models.

2.3 Place-based planning reform

Regional planning frameworks need sufficient flexibility to reflect local market conditions, demographics, infrastructure capacity and development feasibility. City-centric approaches should



An Australian Government Initiative



not be applied uniformly where they do not respond to regional circumstances such as settlement size, climate, water availability and transport access.

Place-based planning should respond to local demographics, market conditions and infrastructure capacity. For example, the Loddon Mallee identified a strong presence of detached housing in Swan Hill despite a significant proportion of single-person households, highlighting the need for greater housing diversity, including smaller and medium-density options in appropriately serviced locations. Planning guidance for policy application should always consider regional circumstances, include diverse and place-based needs.

Planning frameworks should align housing and rezoning with anticipated employment growth and enable more diverse and commercially viable housing types in appropriately serviced locations. Reform should be informed by community engagement and respond to local population growth, ageing demographics and changing housing needs.

This submission supports place-based and streamlined planning pathways that enable appropriate infill and housing diversity.

Greater coordination is also needed across cross-border communities along the Murray River, where differing Victorian and New South Wales planning and regulatory settings can create unnecessary barriers to housing delivery, workforce mobility and regional economic activity.

2.4 Strengthen local government capability

Regional councils play a critical role in strategic planning and development assessment but often face capacity constraints and shortages of specialist expertise. National housing reform should support consistent outcomes while allowing flexibility in how planning responsibilities are allocated across jurisdictions.

The Loddon Mallee Housing Action Plan identified limited planning capacity, specialist expertise and complex referral processes as barriers to housing delivery, also demonstrating the value of regional collaboration, including the Loddon Mallee Housing Leadership Group, which brings councils and government together to coordinate priorities, and progress regional housing initiatives.

This submission supports shared regional access to specialist expertise, including bushfire, native vegetation and other complex assessments, together with better coordination of referrals.

Stronger pre-application support and high-quality applications, such as the Rural City of Swan Hill's Development Advisory Panel approach, can also reduce requests for further information and assessment delays.

Regional models should enable councils to share strategic planning resources and specialist expertise, supported by a regional development facilitation role to coordinate technical inputs and agency referrals, streamline complex projects and promote housing-focused decision-making while retaining local knowledge and community input.



An Australian Government Initiative



3 Key recommendations

This submission recommends that the Australian Government:

	Recommendations	Benefits
1	Apply a regional feasibility lens to national housing reform that distinguishes between zones, services, approved, infrastructure-ready and commercially feasible housing capacity.	- Provides a more accurate picture of land that can realistically deliver housing. - Helps identify the actual barriers preventing approved or zoned land from being developed. - Directs government investment and reform toward projects with the greatest potential to deliver completed homes.
2	Support place-based regional housing and infrastructure that aligns land release and rezoning with utilities, employment growth, climate risk and locally identified housing need.	- Better aligns housing supply with workforce and population growth. - Improves coordination and sequencing of enabling infrastructure. - Ensures planning responds to local market conditions, infrastructure capacity and climate risks. - Minimises likelihood of land banking.
3	Establish an enduring regional housing funding mechanism covering keyworker, community, employer-supported and other demonstrably market-constrained housing, using flexible grants, concessional finance, co-investment, infrastructure support and land-based partnership models.	- Creates a consistent pipeline of regional housing projects rather than reliance on intermittent funding rounds. - Encourages greater participation from employers, community housing providers and private investors. - Enables flexible financing and ownership models suited to different regional markets and needs.
4	Promote diverse housing typologies and risk-based approval pathways, including medium-density, modular, secondary and worker housing in appropriately serviced locations, while retaining necessary building, environmental, cultural heritage and natural-hazard safeguards.	- Expands housing choice to better meet changing workforce, household and ageing-population needs. - Supports more viable development in thin regional markets. - Reduces unnecessary approval delays while maintaining appropriate safeguards.
5	Strengthen regional planning capability and coordination, including shared specialist resources, precinct-scale technical studies, better prepared applications and empowered coordination of utility and agency referrals.	- Reduces delays caused by limited specialist capacity and complex referrals. - Improves the quality and consistency of planning applications and decision-making. - Enables councils to share expertise and resources while retaining local knowledge and community input.