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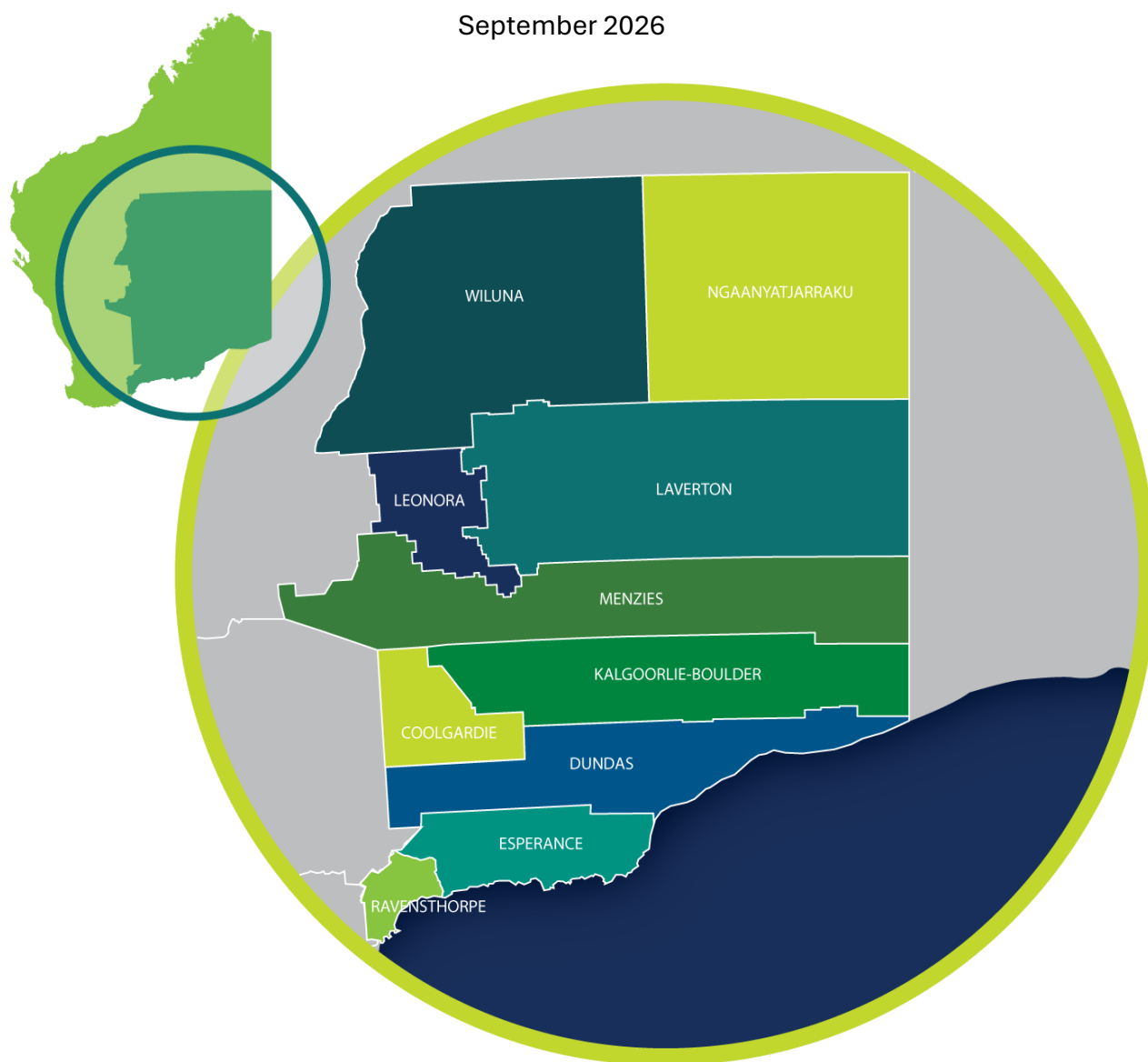
Regional
Development
Australia

GOLDFIELDS ESPERANCE

SUBMISSION TO THE PRODUCTIVITY COMMISSION

**Inquiry into Housing Supply Regulation
Response to Interim Report
Regional Development Australia Goldfields Esperance**

September 2026



1. Executive Summary

Regional Development Australia Goldfields Esperance (RDAGE) welcomes the opportunity to respond to the Productivity Commission's interim report on housing supply regulation.

RDAGE supports the objective of removing unnecessary regulatory barriers to housing supply and improving the efficiency, coordination and predictability of Australia's housing regulatory system.

The Productivity Commission's interim report, released on 27 July 2026, identifies relaxing land-use controls and better coordinating housing-enabling infrastructure as reforms likely to have significant effects on housing supply and affordability. It also identifies complex approval processes and poor coordination between decision-makers as impediments to housing delivery.

RDAGE's principal concern is that reforms designed primarily around the experience of metropolitan housing markets may not address the binding constraints operating in regional and remote Australia.

The Goldfields Esperance region demonstrates why this distinction matters. In many communities across the region, the principal housing constraint is not simply whether residential land is zoned, whether higher density is permitted, or whether a local government can process a planning application more quickly.

Housing can remain undelivered because land is not serviced; water, wastewater or power infrastructure lacks capacity; land tenure is unresolved; development costs cannot be recovered through the eventual value of the property; there is insufficient scale to attract private developers; construction costs are high; or builders and trades are unavailable.

For regional Australia, there is therefore an important distinction between land being zoned for housing and housing actually being capable of delivery.

Zoned land → secure tenure → approvals → enabling infrastructure → serviced and titled land → finance and commercial feasibility → construction capacity → completed housing.

Failure at any one of these stages can prevent housing from being delivered.

Regional evidence supports this distinction. The Goldfields-Esperance Development Commission's Housing & Land Summary identifies land tenure and mining tenements, development costs, builder availability, structural market failures and servicing infrastructure as constraints on housing development across the region.

The same report shows that in 2024-25 only 60 new houses were approved across the Goldfields Esperance region and notes that building approvals do not necessarily result in building commencements.

The gap between regulatory approval and actual development is also evident in subdivision activity. At Q2 2025, developers held 413 lots with conditional approval across the region, while only 21 lots received final approval during the quarter. The report notes that developers may choose not to proceed with a conditionally approved subdivision, either at all or in full.

Approval is not supply. Zoning is not supply. A theoretical land pipeline is not the same as homes being delivered.

RDAGE recommends that the Commission's final report explicitly distinguish between metropolitan, regional and remote housing markets and ensure that reforms address the full housing delivery pathway, including enabling infrastructure, land tenure, development feasibility, construction capacity and small-market failure.

2. About RDA Goldfields Esperance

Regional Development Australia Goldfields Esperance is part of the national Regional Development Australia network and works across ten local government areas:

- City of Kalgoorlie-Boulder
- Shire of Coolgardie
- Shire of Dundas
- Shire of Esperance
- Shire of Laverton
- Shire of Leonora
- Shire of Menzies
- Shire of Ngaanyatjaraku
- Shire of Ravensthorpe
- Shire of Wiluna

The Goldfields Esperance region covers more than 950,000 square kilometres, making it Western Australia's largest region, and had an estimated population of approximately 58,646 people in 2025. Kalgoorlie-Boulder and Esperance are the major population centres, while the region also encompasses small towns, remote communities and extensive Aboriginal communities.

This scale and diversity are important when considering housing regulation. A housing policy that may operate effectively in a metropolitan growth corridor cannot automatically be assumed to produce the same result in Kalgoorlie-Boulder, Esperance, Kambalda, Leonora, Laverton, Wiluna or the Ngaanyatjarra Lands.

The region also makes a significant economic contribution. Economic output was estimated at \$40.24 billion in 2025, including approximately \$26.95 billion from mining.

Adequate housing is therefore not only a social and community issue. It is economic-enabling infrastructure. The regional housing shortage affects the ability to attract and retain workers, deliver essential services, support business growth and realise investment in nationally significant mining, critical minerals, agriculture, infrastructure and other industries.

3. Basis of this Submission

RDAGE has sought to ensure this submission reflects the practical experience of organisations directly involved in housing, land development, economic development and regional growth across the Goldfields Esperance region.

Following the release of the Productivity Commission's interim report, RDAGE reached out directly to local governments across the Goldfields Esperance region seeking input into this submission. A targeted Local Government Housing Supply Survey was developed to obtain practical evidence from local government officers, including information on residential land availability, development and approval timeframes, barriers to development, enabling infrastructure, servicing constraints, construction capacity and instances where local governments have directly funded housing-enabling infrastructure.

RDAGE also sought input from Chambers of Commerce and the Goldfields Esperance Development Commission (GEDC) to ensure the submission was informed by broader regional economic, business, housing and land development perspectives.

Where respondents granted permission for their survey responses to be used only on an anonymous basis, RDAGE has de-identified those responses in this submission. Other information drawn from public reports and published sources is attributed to the relevant organisation or location.

This consultation builds on RDAGE's ongoing engagement with local governments, industry, business and community stakeholders across the region and has been supplemented by existing regional research and housing data.

Sources informing this submission include:

- responses received through RDAGE's 2026 Local Government Housing Supply Survey;
- direct input from local governments across the Goldfields Esperance region;
- input sought from regional Chambers of Commerce;
- input and regional housing intelligence from the Goldfields Esperance Development Commission;
- the Goldfields Esperance Development Commission's Housing & Land Summary - January to June 2025;
- the Kalgoorlie-Boulder Housing and Land Position Paper Review, prepared by Urbis for the Kalgoorlie-Boulder Chamber of Commerce and Industry in July 2025, following earlier collaborative work involving KBCCI, the City of Kalgoorlie-Boulder, GEDC and RDAGE;
- the Shire of Esperance Housing, Land and Accommodation Study; and
- RDAGE's ongoing regional intelligence gathered through its work with local government, businesses, industry, community organisations and other regional stakeholders.

This approach is intended to ensure that RDAGE's response is not based solely on broader housing statistics or metropolitan assumptions, but is informed by the on-the-ground experience of organisations working directly with housing supply, land development, infrastructure, workforce and investment issues across regional and remote Western Australia.

RDAGE's submission concentrates on the three areas identified in the Terms of Reference: approval processes; availability and use of land for housing; and processes and frameworks for delivering housing-enabling infrastructure.

4. Regional Housing Markets Require a Different Regulatory Lens

RDAGE supports the Commission's objective of making the housing regulatory system simpler, faster and more predictable. However, the Goldfields Esperance experience suggests that reducing regulatory delay will not, by itself, resolve housing undersupply in many regional communities.

The Commission's interim report considers reforms including broad-based upzoning, reducing minimum lot sizes, facilitating mixed residential and commercial development and allowing more mid-rise and higher-density housing in high-demand, well-served locations. These reforms may have merit in markets where restrictive land-use controls are preventing housing development.

They are not necessarily the principal solution in communities where land is already available or appropriately zoned but cannot feasibly be converted into housing.

The Goldfields Esperance region includes fundamentally different housing markets: large regional centres, small mining communities, agricultural communities, coastal communities, remote Aboriginal communities and communities in which there is effectively no conventional private rental market.

Consequently, best-practice housing regulation should be sufficiently flexible to recognise fundamentally different market conditions.

5. Approval Processes

The first matter in the Terms of Reference is the effect of development, building and post-approval processes on housing supply. RDAGE agrees that unnecessarily complex, duplicated or slow approvals should be addressed.

The Commission's interim report notes that approvals can involve multiple levels of government, referral agencies and infrastructure providers and that poor coordination can add substantial time to projects. It also acknowledges that improving approvals alone will not be sufficient to materially increase housing supply and must operate alongside other reforms.

That qualification is particularly important for regional Australia.

Local government evidence collected by RDAGE indicates that the planning approval process itself is not necessarily the principal impediment in some Goldfields Esperance communities. Anonymous survey responses from regional local governments indicated residential application processing generally occurring within 60 days and did not identify local government approval timeframes as the primary constraint.

Instead, barriers identified through consultation include servicing and enabling infrastructure, water availability and capacity, electricity infrastructure, land tenure, Crown land processes, native title and Indigenous Land Use Agreement processes, construction cost, availability of builders and trades, financing and valuation, development scale and private-sector willingness to develop in small markets.

A regulatory system should not assume that reducing a council planning approval from, for example, 60 days to 40 days will result in materially more housing if a project subsequently waits years for infrastructure, tenure resolution or commercial feasibility.

The Commission should therefore assess end-to-end housing delivery time, rather than considering individual approval stages in isolation.

Recommendation 1: The Productivity Commission should recommend that governments measure the complete housing delivery pathway, from identification of residential land through to serviced lots and completed dwellings, rather than relying primarily on statutory planning approval timeframes as a measure of regulatory performance.

6. Zoned Land is Not the Same as Housing Supply

The second Terms of Reference matter concerns the availability and use of land for housing. This is one of the most important issues for the Goldfields Esperance region.

RDAGE strongly supports measures that increase the availability of genuinely development-ready land. However, a distinction must be made between land identified for housing, land zoned for housing, land capable of subdivision, land with secure tenure, land capable of being serviced, serviced and titled lots, and land on which construction is commercially viable.

Counting zoned residential land alone can substantially overstate the amount of housing supply actually available to a regional community.

The Goldfields Esperance Housing & Land Summary identifies existing land tenure and mining tenements as limiting residential land availability in some parts of the region. It also identifies structural market failures, development costs, builder availability and servicing infrastructure as barriers to development.

At Q2 2025, there were 413 lots in developers' stock of conditional approvals, comprising 85 in Esperance, 312 in Kalgoorlie-Boulder and 16 across other local government areas. Only 21 lots achieved final approval during that quarter. The report explains that developers may choose not to proceed within the relevant approval period, proceed only in part, or pursue a different development proposal.

This demonstrates why the existence of an approval does not necessarily indicate a functioning land supply pipeline.

Recommendation 2: The Commission should distinguish between theoretical land supply and development-ready land and encourage governments to report separately on zoned land, conditionally approved land, serviced and titled lots, and completed housing.

7. Kalgoorlie-Boulder - Land Supply Versus Delivery

Kalgoorlie-Boulder provides a useful case study.

The July 2025 Kalgoorlie-Boulder Housing and Land Position Paper Review identified approximately 1,000 additional residential lots in planning across priority housing and land projects and more than 58 hectares of zoned and unzoned land with potential for future residential development. Yet GreenView at Karlkurla was identified as the only active greenfield development selling into the market at that time. The same study reported that approximately 155 new dwellings had been delivered since 2021.

This is precisely the distinction RDAGE asks the Commission to recognise. On paper, there is a substantial future land pipeline. In practice, delivery is much slower.

Kalgoorlie-Boulder also demonstrates the relationship between housing demand and regional economic activity. The 2025 review found a continuing investment pipeline and elevated labour demand despite changes in the nickel and lithium sectors.

The review estimated future demand at approximately 93 additional dwellings per year over the next decade, compared with a historical rate of 56 approvals per annum. Simply zoning more land will not meet that requirement if the development and construction systems cannot convert the existing pipeline into dwellings.

8. Housing-Enabling Infrastructure

The third Terms of Reference matter - the delivery and use of housing infrastructure - is particularly significant for regional Australia.

RDAGE strongly supports the Commission's finding that housing and infrastructure planning must be better coordinated. Roads, utilities, water and wastewater infrastructure can be prerequisites for housing development, and rezoned land can remain unused when housing and infrastructure planning are poorly coordinated.

This problem is amplified in regional and remote communities. Low population density and smaller development projects mean the cost of major infrastructure cannot necessarily be distributed across thousands of new dwellings.

In some locations, a relatively small subdivision may require significant investment in water supply, wastewater and sewerage, electricity, roads, drainage, telecommunications and other headworks and network upgrades. The commercial economics can therefore be fundamentally different from those applying to large metropolitan greenfield developments.

The Shire of Esperance Housing, Land and Accommodation Study identified land development and construction costs, servicing requirements, long build times, supply-chain delays, limited construction capacity and an inability to scale housing development among the key barriers facing that community. The same issues recur across the wider region.

Recommendation 3: The Australian Government should establish or maintain dedicated funding mechanisms for housing-enabling infrastructure in regional and remote communities where the small scale of development makes conventional developer-funded infrastructure models commercially unviable.

Recommendation 4: Assessment of housing-ready land should include demonstrated capacity for water, wastewater, electricity, roads and other essential infrastructure, rather than zoning status alone.

9. Development Feasibility and the Regional Valuation Gap

One of the most significant barriers to regional housing supply can occur after land has been zoned, serviced and approved. The dwelling still has to be financially viable to build.

Regional construction costs can substantially exceed metropolitan costs because of freight, mobilisation, limited competition, labour shortages and the cost of bringing specialist trades into remote communities.

The Kalgoorlie-Boulder Housing and Land Position Paper Review found that the average cost per dwelling had increased 38% since 2021 to approximately \$525,000 in 2023-24, with the regional location and shortage of skilled local trades contributing to these costs.

This illustrates the broader regional issue: the cost of producing new housing can be high relative to the value of established housing. Where the completed property is valued below the total cost of land and construction, purchasers may have difficulty obtaining finance and private developers have little incentive to build speculatively.

No amount of upzoning resolves that underlying market failure.

Recommendation 5: The Commission should recognise construction-cost and valuation gaps as a significant constraint in some regional housing markets and recommend further work by governments and financial-sector stakeholders on mechanisms capable of addressing this market failure.

10. Construction Workforce and Market Capacity

Regional housing policy must also recognise that an approval cannot produce a dwelling without a construction workforce.

The Shire of Esperance study identified high demand for builders and construction trades, limited local capacity, long construction times and supply-chain delays as housing constraints. The regional Housing & Land Summary similarly identifies builder availability and development costs as constraints on private-sector housing investment.

The Commission's final report should therefore avoid treating housing supply solely as a land-use planning problem. In small markets, the construction sector itself may lack the scale required to respond rapidly to increased demand.

There is also potential for modern methods of construction, including modular and prefabricated housing, to play a greater role. The Kalgoorlie-Boulder review noted that prefabricated worker accommodation had enabled faster and more cost-effective construction than conventional in-situ development.

Recommendation 6: Governments should ensure regulatory systems facilitate appropriate modular, prefabricated and other modern methods of construction and should consider the specific procurement, transport, approval and workforce barriers affecting their use in regional and remote communities.

11. Esperance - A Different Housing Market, the Same Supply Problem

Esperance demonstrates why nationally consistent policy must still recognise different local causes of housing undersupply.

The regional Housing & Land Summary recorded an exceptionally tight rental market in Esperance in June 2025, with a vacancy rate of 0.08% and only one rental property reported as available. It associated this

shortage with homelessness, overcrowding and rough sleeping and noted additional seasonal pressure from tourism and seasonal workers.

The Shire of Esperance Housing, Land and Accommodation Study found that regional housing challenges were exacerbated by distance, market scale, land availability and development feasibility. It identified increasing land development and construction costs; servicing constraints; long build times; supply-chain delays; limited housing capacity; limited builder and trade capacity; inability to scale up housing development; limited rental accommodation; and accommodation requirements associated with major projects and employment growth.

These constraints are quite different from a metropolitan housing market in which the primary problem may be restrictions on density in a high-value, infrastructure-rich location. Yet the outcome is the same: insufficient housing.

The regulatory and policy response therefore needs to address the cause of undersupply, rather than assuming the same intervention will produce the same outcome everywhere.

12. Remote Housing Markets

The challenge becomes even more pronounced in the Northern Goldfields and remote parts of the region.

The Goldfields Esperance Housing & Land Summary notes that the Shires of Menzies, Leonora, Laverton, Wiluna and Ngaanyatjaraku have comparatively small property markets and substantial non-resident workforces. It identifies remote service provision and staffing difficulties and reports concerns about the availability and quality of Government Regional Officer Housing and social housing, which stakeholders identified as barriers to attracting and retaining residents and workers.

Some communities have very limited conventional private rental markets. Traditional measures such as rental listings, median rents, development applications and private dwelling approvals therefore do not necessarily provide an accurate picture of housing need in these communities.

Recommendation 7: The Commission should explicitly recognise remote and very remote housing markets as a distinct category when developing its final recommendations, including markets where private development and conventional rental markets are limited or absent.

13. Housing is Economic Infrastructure

Housing shortages in Goldfields Esperance have consequences beyond housing affordability. The region's economy supports nationally significant mining, critical minerals, agriculture, transport and other industries.

The regional Housing & Land Summary records approximately 37,696 jobs across the region, including 14,773 in mining and 2,554 in construction. Adequate and affordable housing is necessary to accommodate workers associated with existing and future economic activity and major projects.

Housing shortages can constrain workforce attraction and retention, health and medical services, education and childcare, local government recruitment, construction, business expansion, major project development, community services and population growth.

In this context, housing-enabling infrastructure should be viewed in much the same way as other productivity-enabling infrastructure.

Recommendation 8: Housing-enabling infrastructure in regional Australia should be recognised as economic infrastructure where it is necessary to support workforce growth, essential services and nationally significant industries.

14. The Role of Local Government

Local governments are often closest to the housing problem but have limited capacity to resolve many of the underlying constraints.

They may control planning schemes and local approvals, but they generally do not control all of the factors determining whether housing can ultimately be delivered. These can include State land release, Crown land tenure, native title processes, water infrastructure, electricity networks, State and Commonwealth environmental approvals, construction workforce availability, finance, property valuation and private-sector investment decisions.

Local governments can therefore approve development while remaining unable to resolve the factors preventing the development from proceeding.

Some councils are also investing their own limited resources in land development, housing and enabling infrastructure because the private market cannot respond. This should not become an unfunded expectation of regional local government.

Recommendation 9: The Commission should recommend clearer coordination and accountability across local, State and Commonwealth governments, utilities and relevant agencies for converting identified residential land into genuinely development-ready land.

Recommendation 10: Housing policy and funding programs should recognise the additional financial burden carried by regional local governments where councils are required to directly intervene in housing or land development because of market failure.

15. Measuring the Right Things

A major opportunity arising from this inquiry is to improve how Australia measures housing supply performance. An approval count alone does not tell governments whether housing has been delivered.

The Goldfields Esperance data demonstrates the need to distinguish between:

- land identified for future housing;
- appropriately zoned land;
- subdivision applications;
- conditional subdivision approvals;
- serviced land;
- final subdivision approvals;
- titled lots;
- building approvals;
- building commencements; and
- completed dwellings.

This would allow governments to identify where housing is actually becoming stuck.

In one community it may be planning. In another it may be water. In another it may be Crown land tenure. In another it may be construction cost. In another it may be a lack of builders. In another, the private housing market may simply be too small to generate a commercial return.

A more sophisticated evidence base would allow policy intervention to target the actual constraint.

Recommendation 11: Governments should develop a nationally consistent housing delivery pipeline that tracks land from strategic identification through zoning, servicing, subdivision, titling, building approval, commencement and dwelling completion, with data capable of being analysed separately for metropolitan, regional, remote and very remote areas.

16. Response to the Commission's Interim Reform Directions

RDAGE supports the Commission's objective of improving housing regulatory systems and agrees that unnecessary regulatory complexity should be removed.

However, RDAGE urges the Commission to ensure that its final recommendations do not equate regulatory capacity with housing delivery capacity.

Broad-based upzoning, increased density and streamlined planning approvals may increase supply where land-use restrictions are the binding constraint. Where the constraint is inadequate enabling infrastructure, land tenure, development feasibility, construction cost, workforce capacity or market failure, those reforms may have limited impact unless accompanied by other interventions.

RDAGE considers that these principles should be developed further in the final report in relation to regional and remote Australia.

17. Recommendations

1. Measure the entire housing delivery pathway

Assess performance from identification of land through to completed dwellings, rather than relying predominantly on statutory approval times.

2. Distinguish theoretical land supply from development-ready land

Report separately on zoned land, conditionally approved land, serviced and titled lots and completed housing.

3. Support regional housing-enabling infrastructure

Recognise that small regional developments may be unable to fund major headworks through conventional developer contribution models and require targeted government investment.

4. Include infrastructure capacity in assessments of housing-ready land

Land should not be considered genuinely housing-ready without adequate water, wastewater, power, roads and other essential infrastructure.

5. Recognise the regional construction-cost and valuation gap

Undertake further work on mechanisms capable of addressing circumstances where the cost of constructing new housing materially exceeds the value supported by the local market.

6. Facilitate modern methods of construction

Ensure regulation does not unnecessarily inhibit modular, prefabricated and other construction methods capable of improving regional housing delivery.

7. Recognise remote housing markets separately

Develop recommendations appropriate to locations where conventional private development and rental markets are weak or absent.

8. Recognise housing as economic-enabling infrastructure

Particularly where housing shortages constrain essential services, workforce development and nationally significant industries.

9. Improve intergovernmental and utility coordination

Establish clearer accountability for converting identified residential land into genuinely serviced, development-ready land.

10. Recognise local government's role and financial exposure

Ensure regional councils are not expected to carry housing and infrastructure costs caused by broader market failure without appropriate support.

11. Establish better national housing pipeline data

Track housing from strategic land identification through to dwelling completion and report outcomes separately for metropolitan, regional, remote and very remote Australia.

12. Apply a regional lens to the final report

Test proposed regulatory reforms against regional and remote housing markets before recommending their application nationally.

18. Conclusion

RDAGE supports the Productivity Commission's objective of creating a regulatory environment that enables Australia to build more homes, faster.

The experience of the Goldfields Esperance region demonstrates, however, that the causes of housing undersupply vary significantly across Australia.

In metropolitan areas, restrictive zoning, density controls or lengthy planning approvals may be significant barriers. In regional and remote communities, the problem can be very different.

Land can already be zoned. A development can already be approved. Demand can clearly exist. And yet the houses still do not get built.

The reasons can include inadequate enabling infrastructure, unresolved land tenure, small development scale, construction costs, financing and valuation gaps, limited builder capacity and structural market failure.

The Goldfields Esperance data provides a clear illustration. In 2024-25, only 60 new houses were approved across a region covering more than 950,000 square kilometres. The region also had hundreds of lots sitting within the conditional approval pipeline, while final approvals were much lower.

At the same time, communities such as Esperance were experiencing exceptionally tight rental availability, while Kalgoorlie-Boulder continued to face substantial housing demand associated with population, workforce and investment activity.

This is why RDAGE submits that Australia's housing reform agenda must move beyond the question: 'How much land is zoned for housing?' It must also ask: 'What is preventing that land from becoming homes?'

That distinction is fundamental to designing housing regulation that works not only for Australia's major cities, but also for the regional and remote communities that support much of the nation's economic activity.

RDAGE encourages the Productivity Commission to incorporate a clear regional and remote lens into its final report and to recognise that regulatory reform, infrastructure investment, land readiness, construction capacity and development feasibility must work together if additional housing is actually to be delivered.

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