

Submission to the Australian Government – Productivity Commission - Housing Supply Regulations

RDA Queensland Network Submission

Due: 30 Sept 2026

Introduction

The Regional Development Australia Queensland Network comprises the state's 11 Regional Development Australia committees, which work with all levels of government, industry and community stakeholders to identify regional priorities, support economic development and provide place-based advice on opportunities and constraints affecting regional growth. Regional housing is central to productivity because businesses, major projects and essential services cannot grow or operate effectively if workers cannot access secure, affordable and appropriate housing near employment. In regional Queensland, housing shortages directly affect workforce attraction and retention, construction capacity, service delivery, supply chains and the ability of communities to realise nationally significant economic opportunities.

Scope of the inquiry - Terms of Reference

The Productivity Commission inquiry will examine how all levels of government can improve housing regulation to accelerate supply, reduce unnecessary barriers and lift construction productivity. It will prioritise reforms that support the National Housing Accord and help deliver more well-located homes.

The National Housing Accord brings governments, industry, investors and the community housing sector together around a shared target of 1.2 million new homes over five years, supported by coordinated planning, infrastructure, investment and regulatory reform.

The inquiry focuses on three key areas:

- approval processes, including development, building and post-approval requirements;
- land availability and use, including land release and land-use controls; and
- housing-enabling infrastructure, including growth infrastructure planning and developer contributions.

The Commission will compare regulatory systems across jurisdictions, identify the reforms with the greatest impact on supply, affordability and productivity, and consider the costs, benefits and economic gains of recommended changes.

The RDA Queensland Network broadly supports the Commission's four principles of enabling housing supply, regulating only where necessary, coordinating housing-enabling infrastructure and simplifying approval processes. These principles provide a sound basis for reform, provided they are applied in a **place-based way that reflects regional market conditions**. Changes to planning rules alone will not automatically deliver more homes where projects remain commercially unviable or the necessary infrastructure is not available.



Regional Queensland housing issues and solutions

Housing pressures in regional Queensland are not only a social issue; they are a structural constraint on economic growth, workforce participation, infrastructure delivery and community wellbeing. Regional communities face housing markets that are smaller, more volatile and more expensive to service than metropolitan markets. These pressures are compounded by limited council rate bases, higher construction and insurance costs, shortages of skilled trades, lack of enabling infrastructure, constrained land supply, competition for investment capital (disincentivising investment in housing supply), government adding to competition and demand for housing and fragmented planning responsibilities across local, state and federal government.

The RDA Queensland Network submits that housing supply reform must be place-based, regionally informed and aligned with infrastructure, workforce and economic development policy. A stronger regional housing response should focus on removing unnecessary regulatory barriers, improving intergovernmental coordination, unlocking enabling infrastructure, supporting Indigenous housing outcomes, expanding social and affordable housing supply, and incentivising and attracting private and institutional investment into regional housing markets.

Key issues and reform solutions

Issue area	Regional Queensland issues	Suggested solutions
1. Red tape reduction	Multiple approval pathways, sequential assessments, inconsistent interpretation of planning rules and limited assessment capacity can delay smaller regional projects and increase holding costs.	Introduce simpler, faster and more predictable regional housing approval pathways, including standard assessment timeframes, clearer code-assessable pathways, accepted development for low-risk housing types, and better resourcing for regional councils.
2. Duplication of federal and state legislation	Housing projects can be delayed where environmental, cultural heritage, infrastructure, building, tenure and planning requirements overlap without a coordinated assessment pathway.	Create a coordinated “single front door” for regionally significant housing projects, with aligned federal and state assessment requirements, shared data, concurrent referrals and clear escalation pathways for stalled projects.
3. Cost of housing in regional areas	Regional housing costs are affected by smaller construction markets, freight distances, limited competition, higher insurance premiums, supply chain constraints and difficulty attracting trades.	Support regional construction supply chains through modular and prefabricated housing where locally appropriate, regional procurement pipelines, trade workforce initiatives, bulk purchasing models and targeted subsidies for remote delivery costs.
4. Clear line of sight for infrastructure development between local, state and federal government	Land release and housing approvals are often not aligned with water, sewerage, roads, energy, digital connectivity, schools, health	Establish one transparent housing-enabling infrastructure pipeline across local, state and federal government, with clear owners, timeframes, funding responsibilities, project status reporting



	services and public transport investment.	and formal input from RDAs as a regional evidence base.
5. Housing affordability in the regions	Low rental vacancies, rising purchase prices and limited diversity of housing types are reducing affordability for low- and moderate-income households, essential workers and young people.	Increase diverse housing supply, including smaller dwellings, medium-density options in appropriate locations, build-to-rent, key worker housing, community housing and affordable home ownership pathways.
6. Indigenous housing	Indigenous communities, particularly in remote and discrete communities, face overcrowding, land tenure barriers, infrastructure gaps, wet-season delivery constraints and limited culturally appropriate housing options.	Support long-term, co-designed Indigenous housing investment, including land and tenure solutions, enabling infrastructure, local construction and maintenance workforces, First Nations community housing providers, home ownership pathways and culturally appropriate design.
7. Social equity and wellbeing in the regions	Housing insecurity contributes to poorer health, education, family, safety and workforce outcomes. Regional service gaps mean housing stress can escalate quickly into homelessness or community dislocation.	Treat housing as essential social infrastructure by integrating housing investment with health, education, transport, domestic and family violence, disability, aged care and youth services, especially in high-growth or high-need regional communities.
8. Workforce attraction and retention	Major projects, health services, schools, local government, agriculture, tourism, resources and construction all rely on workers who often cannot find suitable housing in regional communities.	Develop key worker and seasonal worker accommodation models, employer-supported housing partnerships, regional migration settlement support, incentives for trades and construction workers, and housing plans linked to major project approvals.
9. Housing as a national productivity issue	When workers cannot live near jobs, businesses cannot expand, public services cannot be staffed, projects are delayed and freight, energy, food, defence and resources supply chains are weakened.	Recognise regional housing as productivity-enabling infrastructure and prioritise investment where housing shortages are constraining nationally significant industries, essential services and infrastructure delivery.
10. Innovative housing finance, tax incentives and insurance concessions	Private investment can be limited by small markets, uncertain valuations, low developer margins, higher insurance costs and competition for capital from alternative investment	Explore regional housing investment incentives, including tax concessions, accelerated depreciation, land tax or stamp duty relief, concessional finance, guarantees, insurance concessions, pooled investment vehicles and public-private-community housing partnerships and packaging long term demand (long



	vehicles that present lower risk and better returns.	term leases agreements) to provide investment security.
11. Regional construction workforce and modern methods of construction	Shortages of builders, certifiers, planners, engineers and trades reduce delivery capacity and increase costs, particularly in remote and disaster-affected regions.	Expand regional construction skills pipelines, apprenticeships, mobile training, local manufacturing, modular construction standards and procurement settings that support local businesses and Indigenous enterprises.
12. Disaster resilience, climate adaptation and insurance affordability	Flood, cyclone, bushfire and extreme weather risks affect land availability, building costs, insurance affordability and community confidence in regional housing markets.	Embed resilience into housing and infrastructure planning through hazard-informed land release, resilient building design, betterment funding, insurance risk reduction measures and investment in roads, drainage, water and telecommunications resilience.
13. Short-term accommodation, tourism and seasonal demand	Tourism, seasonal workforces and short-term accommodation can reduce the availability of long-term rentals for residents and essential workers in some regional markets.	Enable localised short-term rental management, incentives to return homes to the long-term rental market, worker accommodation precincts and targeted planning tools that respond to the distinct housing market conditions and pressures of each region.
14. Data, evidence and regional housing audits	Regional housing gaps are often understood locally but not consistently quantified in a way that supports investment, funding or planning decisions.	Develop a consistent regional housing audit model across Queensland to measure need, land readiness, infrastructure constraints, workforce impacts and investment opportunities, using RDAs to coordinate local intelligence and evidence.

Examples from regional Queensland communities

The following Queensland examples demonstrate that housing shortages are not isolated or uniform. They affect fast-growing coastal centres, mining and resources communities, agricultural regions, remote and Indigenous communities, and inland towns with limited construction markets. Across these places, the common issue is that housing shortages constrain workforce attraction, essential service delivery, infrastructure investment and regional productivity.

- Cairns and Far North Queensland – diverse housing markets, infrastructure and place-based delivery:** Housing pressures across Far North Queensland vary markedly between Cairns, smaller regional centres and remote First Nations communities. In Cairns, major growth areas such as the Mount Peter Priority Development Area depend on coordinated investment in water, wastewater, transport and community infrastructure before housing can be delivered at scale. Across the Tablelands and smaller centres such as Lakeland, housing supply is also constrained by the cost of enabling infrastructure, small construction markets and development feasibility, while emerging models such as People Purpose Place demonstrate the potential for locally led, alternative housing and tenure solutions. In Cape York and other remote communities, housing delivery is further affected by tenure complexity, high construction and freight costs, workforce constraints and limited infrastructure. These challenges support the need for flexible, place-based housing policy, including



renewed long-term Commonwealth–State investment in remote Indigenous housing building on the former NPARIH model.

- **Mount Isa and Northwest Queensland – resources, service delivery and workforce retention:** North West Queensland communities face housing challenges linked to resources activity, long-distance supply chains, population volatility and difficulty attracting workers to essential services. In places such as Mount Isa, housing availability affects not only mining and critical minerals supply chains, but also the capacity to attract teachers, nurses, police, childcare workers, trades and local government staff.
- **Townsville – diverse industries and workforce housing pressure:** Townsville’s housing market is under pressure from demand across its diverse economic base, including defence, health and hospital services, education, and mining and resources. Limited housing supply can constrain workforce attraction and retention across these industries, with flow-on effects for essential services, major projects and regional productivity.
- **Mackay, Isaac and Whitsunday region – workforce accommodation and housing diversity:** The Greater Whitsunday region has identified housing as a core economic development issue, particularly because mining, METS, construction, tourism, agriculture and port-related industries all rely on workers who need access to suitable local accommodation. Regional initiatives such as the Greater Whitsunday Housing Project, workforce accommodation projects and the Mackay Region Housing Strategy show the need for housing solutions that include key worker housing, diverse dwelling types, modular construction and stronger coordination with industry demand.
- **Whitsunday and tourism communities – short-term accommodation and local workforce pressure:** In tourism-driven communities such as Airlie Beach and the broader Whitsunday region, high visitor demand and short-term accommodation pressures can reduce the availability of long-term rental housing for residents and workers. This affects hospitality, tourism, retail, health, community services and local government workforces, and demonstrates the need for localised tools to balance visitor accommodation with permanent housing supply.
- **Central Queensland:** Major infrastructure projects are short term and usually do not have an ongoing operational workforce when completed. Therefore, do not have an interest in long term cap ex commitments for housing. The housing demand from these major projects will look to secure accommodation solutions regardless of the market intent of why accommodation was bought to market. For example, major project workforces are consuming available housing market supply in local residential, short term holiday accommodation, short term rental, dormitory facilities and work camps. Demand does not discriminate is simply displacing those who can least afford, creating issues at the social and affordable end of the market. The focus on social and affordable housing is ultimately addressing the symptomatic problem of a supply and demand imbalance.
- **Western Queensland:** The Western Queensland Alliance of Councils supported Local Housing Action Plans across its member councils, including communities such as Longreach, Barcaldine, Blackall-Tambo, Boulia, Cloncurry, Mount Isa, Winton, Quilpie, Paroo, Murweh and others. These plans identify local housing needs and practical actions for rural and remote communities where small markets, limited private investment, ageing housing stock and high construction costs make it difficult to deliver diverse housing options.
- **Wide Bay Burnett – housing, workforce programs and essential services:** Wide Bay Burnett communities, including Bundaberg, Fraser Coast, Gympie, Kingaroy, Monto and Gayndah, face housing constraints that intersect with workforce shortages, road-based freight dependence, health service expansion, agriculture and renewable energy opportunities. Regional workforce programs such as Jobs Fraser Coast and Jobs Bundaberg show the importance of aligning housing supply with employment pathways, skills development and industry growth.



- **Fraser Coast and Hervey Bay – homelessness, rental stress and service pressure:** Coastal regional centres such as Hervey Bay have experienced acute rental stress and growing homelessness pressures, with local service providers reporting increased demand for food, outreach and emergency support. This demonstrates that regional housing shortages have direct impacts on social equity, health, wellbeing and labour market participation.
- **Darling Downs and South West Queensland – evidence-led housing audits:** RDA Darling Downs and South West’s Regional Housing Audit provides a practical model for identifying housing need, land readiness and investment opportunities across multiple local government areas. This type of regional evidence base helps governments, councils and investors understand where infrastructure, land, planning and market constraints are preventing housing delivery. Smaller councils in remote areas with very limited rate bases are increasingly being forced to respond to community need by becoming housing developers of last resort. In communities such as Balonne, Quilpie and Bulloo the LGA’s are increasingly being forced to build housing to support critical economic development and social equity needs.
- **Ipswich and West Moreton – rapid population growth, housing diversity and infrastructure sequencing:** This region, especially the areas of Springfield, Ripley, Beaudesert, Plainlands and Fernvale are currently experiencing rapid growth. This population growth is placing significant pressure on housing supply, transport, community infrastructure and service access. All four councils in this region have identified the need for more diverse housing options, with homes close to public transport, jobs and services. These example shows that housing supply cannot be delivered through land release alone; it also requires timely delivery of roads, public transport, water, sewerage, schools, health services and community infrastructure so growth areas do not become disconnected or isolating.
- **Sunshine Coast – affordability, worker housing and growth management:** The Sunshine Coast is experiencing strong population growth and high housing costs, with pressure on both rental and purchase markets. Council housing monitoring identifies issues of housing supply, diversity, affordability and availability across different household types and income groups. The Sunshine Coast example demonstrates the challenge for high-growth lifestyle regions where housing affordability affects essential workers, health and care workers, hospitality staff, construction workers, young people and lower-income households. Housing solutions need to be closely linked to employment hubs, transport, health infrastructure, education, tourism and long-term growth management.
- **Gold Coast – key worker housing, rental stress and constrained land supply:** The Gold Coast faces acute housing affordability pressures, including high rental costs, low vacancy rates, strong population growth and limited developable land in well-located areas. Recent initiatives for key worker and student housing in the Gold Coast Health and Knowledge Precinct demonstrate the importance of using government land, Priority Development Areas, build-to-rent models and partnerships with the private sector to deliver housing close to jobs, hospitals, universities and public transport. The Gold Coast example shows that major regional economies cannot remain productive if frontline workers, students, young professionals and service workers are priced out of the communities they support.
- **Logan and Redlands – converting planned housing capacity into infrastructure-ready development:** Logan and Redlands demonstrate how different local conditions can prevent planned housing capacity from becoming completed homes. In Logan, major growth areas include Yarrabilba and Greater Flagstone—where planning is administered by Economic Development Queensland—as well as Greenbank, Logan Reserve and Chambers Flat. Realising this growth requires land-use planning and development approvals to be coordinated with water and wastewater capacity, roads, public transport and community infrastructure. The involvement of councils, state agencies, utilities and developers makes clear responsibilities, infrastructure sequencing and transparent delivery timeframes essential.



Redlands faces a different combination of constraints. Its mainland communities must accommodate additional and more diverse housing while working within environmental, infrastructure, transport and hazard constraints. The Southern Moreton Bay Islands present a particularly important example: the existence of residential land or vacant lots does not necessarily mean that land is serviced, readily developable or commercially feasible. Natural hazards, infrastructure limitations, island access and transport arrangements must all be considered when assessing the islands' realistic housing capacity. Together, Logan and Redlands demonstrate the need to distinguish theoretical zoned capacity from land that is approved, serviced, infrastructure-ready and feasible to develop, and to coordinate housing growth with the infrastructure required to support liveable and connectivity.

- **Disaster-affected and high-risk communities – resilience and insurance affordability:** Regional Queensland communities exposed to cyclones, floods, bushfires and severe weather face additional barriers to housing supply and affordability. Disaster risk can affect land availability, construction costs, insurance affordability and investor confidence. Housing policy for these communities must therefore be integrated with resilience planning, betterment funding, roads, drainage, water, telecommunications and emergency service infrastructure.
- **Remote and Indigenous communities – overcrowding, tenure and infrastructure constraints:** Remote and Indigenous communities across Queensland face distinct housing pressures, including overcrowding, ageing housing stock, land tenure complexity, high construction and maintenance costs, limited local trades, wet-season access constraints and infrastructure gaps. These issues require long-term, co-designed housing responses that support community-controlled delivery, local employment, culturally appropriate design and enabling infrastructure. Given the severity of the housing shortage across the north, the Productivity Commission could explore how Native Title legislation stifles housing development in remote communities.

For example:

- Mornington Island is experiencing severe overcrowding, with as many as 17 people living in some dwellings. This overcrowding contributes to poor physical and mental health, low school attendance, domestic violence, and high crime rates. The island needs up to 80 new dwellings to ease overcrowding and accommodate population growth.
- The Council has limited access to land for housing and land around the township is subject to Native Title legislation, plus the costs of securing access from the Prescribed Body Corporates (PBCs) that control it are prohibitive.
- Several Aboriginal and Torres Strait Islander Councils face the same situation.
- Access to land is the main barrier to increasing housing supply on Mornington Island and in many other Indigenous councils.

Together, these Queensland examples show that regional housing is a productivity issue because it determines whether workers can live near jobs, whether essential services can be staffed, whether industries can expand, and whether infrastructure projects can be delivered. A place-based response must recognise that each region faces different housing barriers, but all require better coordination between planning, infrastructure, workforce policy, investment and social housing delivery.

Unlocking investment in regional housing supply

In the late 1990s and early 2000s, the introduction of accrual accounting and the treatment of depreciation costs led many organisations with long-term commitments to regional communities—including banks, police, fire and ambulance services, education and health providers—to review how they housed staff. Some moved from owning staff housing as a capital expense to renting homes as an operating expense. This financial model relies on the private investment sector to supply enough rental housing. However, policy and tax settings can discourage housing investment, and other investments may offer lower risk and better returns. When housing supply is limited, government agencies and other organisations seeking



rental accommodation for staff housing, compete in the market adding demand pressure to housing and rental costs. Governments could potentially attract investment by packaging existing rental expenditure into long-term agreements that offer reliable returns and secure tenants. The target of 1,000,000 homes over five years is ambitious. At an average cost of \$750,000 per home, it represents a \$750 billion investment challenge. Attracting more capital into housing supply is therefore essential, particularly in regional and remote communities across Queensland and other states.

Recommended reform direction

Regional housing policy should move beyond a narrow focus on planning approvals and recognise housing as core economic, social and productivity issue. For regional Queensland, the most effective reforms will be those that:

- align land-use planning with enabling infrastructure delivery;
- reduce duplication of approval processes across jurisdictions and across government agencies;
- support diverse housing models that are tailored to regional needs;
- improve investment certainty and attract private and institutional capital into regional housing supply; and
- ensure Indigenous communities and regional workforces are central to housing supply solutions.



This submission is made on behalf of the following Queensland Regional Development Australia organisations:

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