



An Australian Government Initiative



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Productivity Commission  
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**Re: Housing Supply Regulation Interim Report**

Regional Development Australia Southern NSW & ACT (RDASNA) welcomes the opportunity to respond to the Productivity Commission's *Housing Supply Regulation Interim Report*.

As a Regional Development Australia (RDA) committee, RDASNA acts as an independent adviser to the Australian Government and conduit between governments and regional communities by facilitating partnerships and providing local intelligence, evidence-based insights, and feedback on regional development issues, opportunities and challenges. Our region spans the Australian Capital Territory and nine New South Wales local government areas: Bega Valley, Eurobodalla, Goulburn Mulwaree, Hilltops, Queanbeyan–Palerang, Snowy Monaro, Upper Lachlan, Wingecarribee and Yass Valley. We use our regional voice to support the Government's ambition of 'no one held back and no one left behind' (Department of Infrastructure, Transport, Regional Development, Communications and the Arts, 2023).

Housing is critical economic and social infrastructure for regional communities. The availability of appropriate housing directly affects workforce attraction and retention, essential service delivery, business growth and communities' capacity to accommodate population and investment (RDASNA, 2025).

RDASNA supports the Commission's focus on land-use reform, more efficient approvals and better coordination of enabling infrastructure (Productivity Commission, 2026). However, regulatory reform should be judged by whether it results in additional homes being built and occupied, not simply by increases in zoned capacity or faster approvals.

In regional markets, housing delivery depends on the interaction of land-use regulation, enabling infrastructure, development feasibility, planning and construction capacity, workforce and supply chains. Land may be zoned for housing but remain unserviceable or commercially unviable; an approval does not guarantee that a home can be delivered.

RDASNA therefore recommends a place-based, systems approach to housing regulation, recognising different regional market conditions and considering the full pathway from theoretical development capacity to serviced, feasible and completed housing.

RDASNA welcomes the opportunity to contribute a regional perspective to the Commission's final report and would be pleased to provide further information or regional evidence.

Kind regards,

Olivia West  
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E: [Redacted]

## Recommendations

RDASNA supports regulatory reform that increases housing supply. Our regional evidence demonstrates that the housing market (both demand and supply) is shaped by interconnected planning, infrastructure, workforce and market constraints, requiring coordinated rather than isolated reform (RDASNA, 2025).

### 1. Adopt a place-based, systems approach

Apply nationally consistent regulatory principles in ways that recognise regional market conditions and the interaction between planning, infrastructure, development feasibility, workforce and construction capacity.

### 2. Measure effective housing capacity, not theoretical capacity

Distinguish land that is zoned for housing from land that is serviced, approved, infrastructure-ready and commercially feasible. Housing-supply measures should track progress through to completed dwellings, not rely on zoning or approvals as proxies for delivery.

### 3. Resolve predictable constraints earlier

Move foreseeable infrastructure, hazard, environmental and other strategic planning requirements upstream wherever practical, supported by adequate funding, data, technical expertise and coordination for regional councils.

### 4. Make approval pathways proportionate

Streamline genuinely low-complexity development, reuse verified regulatory work where circumstances have not materially changed, and ensure accelerated pathways are available at the smaller project scales typical of regional housing markets.

### 5. Plan and fund enabling infrastructure with housing growth

Align land-use reform with water, wastewater, transport, energy and other enabling infrastructure. Funding and contribution arrangements should recognise first-mover disadvantage and support infrastructure that unlocks otherwise deliverable regional housing.

These reforms should be implemented and evaluated against actual housing delivery, with regional outcomes measured from development readiness through to construction and occupation.

## Regional evidence and insights

The following sections support RDASNA's recommendations and respond selectively to the Commission's information requests, focusing on matters where RDASNA can contribute evidence and practical insights from Southern NSW.

## Best-practice housing regulation

### Information Requests 1.1 and 1.2

RDASNA supports the Commission's four principles for best-practice housing regulation. In regional communities, however, their application should be informed by a place-based, systems lens. This means assessing reform not only by whether it improves an individual planning or approval process, but also by whether it increases the practical capacity to deliver completed and occupied housing in different regional markets.

RDASNA's research indicates that regional housing outcomes are shaped by interconnected constraints, including land readiness, enabling infrastructure, approval processes, market feasibility and delivery capacity. The relative importance of these constraints varies between and within regional communities. Reform should therefore begin with evidence on the constraint actually limiting housing delivery in each location, rather than assuming the same regulatory intervention will produce consistent outcomes across all markets (RDASNA, 2025).

Applied across the Commission's four principles, a place-based, systems lens would require reforms to be designed and evaluated according to whether they:

- address the binding constraint on housing delivery in the relevant location;
- operate effectively at the scale and project profile of regional housing markets;
- can be implemented with the capability, guidance, systems and resources available to regional councils and other delivery partners; and
- improve progression from development readiness and approval through to construction and occupation, rather than increasing theoretical capacity alone.

In regional markets, the binding constraint may be beyond the planning system, including construction workforce or supply-chain capacity. Although these constraints are beyond this inquiry's direct scope, they affect whether regulatory capacity can translate into completed housing. They should therefore inform how reforms within the inquiry's scope are targeted and evaluated.

A place-based, systems approach does not require different regulatory objectives for regional Australia. It requires the Commission's principles to be applied with regard to local conditions, delivery pathways and institutional capacity. A reform may reflect sound regulatory principles but produce limited housing outcomes if it does not address the binding local constraint or cannot be implemented effectively in the relevant regional context.

Applying this place-based approach also requires reform processes to recognise the distinct rights, priorities and circumstances of Aboriginal communities.

### Closing the Gap

RDASNA recognises that place-based housing reform affecting Aboriginal communities must be informed by genuine partnership and shared decision-making with Aboriginal people and their representative organisations. RDASNA does not seek to speak on behalf of Aboriginal communities. Rather, it supports implementation consistent with the National Agreement on Closing the Gap, particularly Priority Reform One—formal partnerships and shared decision-making; and Priority Reform Three—transforming government organisations ("National Agreement on Closing the Gap," 2020).

This requires governments to engage Aboriginal communities early in the design of housing and regulatory reforms, rather than seeking feedback after preferred approaches have been developed. It also requires implementation arrangements to recognise local priorities, cultural considerations and the capacity of Aboriginal community-controlled organisations. Evaluation should include outcomes identified with Aboriginal communities and assess whether reforms improve access to appropriate, secure and deliverable housing. It should not rely only on system-wide approval or supply measures.

## Land-use regulation and effective housing capacity

### Information Requests 2.2

RDASNA supports land-use reform that enables greater housing diversity and appropriate density. However, zoned capacity is not housing supply.

The Productivity Commission recognises that increasing the number of dwellings permitted through land-use regulation will not necessarily translate directly into additional housing. Development must also be commercially feasible, while infrastructure and other constraints can affect whether theoretical capacity progresses to housing delivery (Productivity Commission, 2026).

This distinction is particularly important in regional markets. RDASNA's regional housing research identifies planning complexity, infrastructure constraints and development feasibility among the interconnected barriers affecting housing delivery across Southern NSW and the ACT (RDASNA, 2025).

Governments should therefore measure effective housing capacity, not theoretical capacity alone. RDASNA supports reporting that distinguishes land that is zoned from land that is serviced, approved, infrastructure-ready and commercially feasible (Productivity Commission, 2026). This should be used to identify where capacity is being lost between land-use planning and housing delivery, and where government intervention is most likely to unlock additional supply.

#### Regional illustration: Mittagong East

Mittagong East illustrates the difference between land identified as having residential potential and land that is genuinely development-ready.

Wingecarribee Shire Council identifies a range of constraints affecting the Mittagong East Investigation Area, including riparian areas, ecological communities, flooding, heritage, potential contamination and significant limitations in existing traffic and transport infrastructure. Council has retained part of the area for potential future residential development, but further planning is required to determine the developable footprint, infrastructure requirements and the sequencing and staging needed to support future rezoning and development (Wingecarribee Shire Council, 2025).

The scale of potential development has also changed as investigations have progressed. A 2024 proposal for 242 lots was withdrawn, with a revised concept master plan for 676 lots subsequently provided to Council in January 2025. However, in December 2025 Council officers recommended deferring further structure planning pending review of its Local Housing Strategy, including reassessment of the housing pipeline, infrastructure capacity and upgrades, delivery timeframes and Council's capacity to fund or facilitate the required infrastructure (Wingecarribee Shire Council, 2025).

The distinction between zoned capacity and deliverable housing is also evident in Eurobodalla. Council's Housing Strategy 2025 identifies at least 10 years of residential land supply under the existing Local Environmental Plan, expected to support projected population growth. However, the Strategy also identifies a significant gap between planning approvals and completed housing and notes that water, sewerage and transport infrastructure will require upgrading or expansion to support future growth (Eurobodalla Shire Council, 2025).

Council's Moruya Housing Infrastructure project provides a practical example: infrastructure is being delivered to support up to 1,000 homes on land already zoned for residential development, including roads, drainage, footpaths and upgrades to water and sewer systems (Eurobodalla Shire Council, 2026).

Together, the Mittagong East and Eurobodalla examples demonstrate why identified or proposed dwelling capacity should not be treated as effective housing capacity. Until infrastructure, environmental, strategic planning and feasibility constraints are sufficiently resolved, identified housing potential remains theoretical.

RDASNA therefore supports broad-based land-use reform where it increases feasible housing opportunities, but recommends assessing its effectiveness through development-ready, commercially feasible and ultimately delivered housing capacity, not changes in zoning or theoretical dwelling yield alone.

## Development assessment and approvals

### Information Requests 3.1–3.4

RDASNA supports the Commission's direction towards simpler, faster and more predictable approval processes. However, complexity and inefficiency should not be treated as the same problem.

RDASNA's regional housing research found that extended assessment times can arise from site-specific issues and requests for additional information after lodgement. In Bega Valley, for example, applications may need to address bushfire risk, biodiversity offsets and coastal or riparian constraints, with some requirements only becoming apparent after lodgement. Similar challenges occur across environmentally sensitive and rapidly growing parts of the region (RDASNA, 2025).

The objective should therefore be to remove avoidable process, not necessary assessment. Where constraints can reasonably be anticipated, governments should move their consideration earlier through strategic planning, infrastructure planning and detailed pre-lodgement scoping. This aligns with the Commission's proposed direction to address infrastructure requirements and development trade-offs earlier, instead of during individual approval processes (Productivity Commission, 2026).

This approach requires adequate regional planning capability. Moving work upstream will not reduce the regulatory burden if councils lack the technical expertise, data or resources to undertake strategic studies and resolve predictable constraints before applications are lodged. Reform should therefore pair greater strategic planning with appropriate capability and resourcing for regional councils (RDASNA, 2025).

### Make approval pathways proportionate

RDASNA supports tiered, risk-based assessment, with genuinely low-complexity development able to move through simpler pathways while site-specific risks continue to receive appropriate assessment.

Consistent with RDA Sydney's submission to this inquiry, approval systems should allow verified evidence for repeatable designs and components to be reused, while retaining site-specific assessment of genuine local risks (Regional Development Australia Sydney, 2026).

However, accelerated pathways should also work at the scale of regional housing markets. The NSW Housing Delivery Authority pathway is designed for major, high-yield proposals. Outside Greater Sydney, Newcastle and Wollongong, proposals are generally expected to exceed approximately \$30 million in residential development cost and deliver approximately 40 or more homes (NSW Department of Planning, Housing and Infrastructure [DPHI], 2026a).

Smaller project scale does not necessarily mean lower housing significance in a regional community. Governments should consider proportionate accelerated pathways for smaller projects where assessment risks are well understood and the proposal can make a material contribution to local housing supply.

Recent NSW reforms also demonstrate opportunities to better accommodate different construction and approval models. The *Building (Approvals and Practitioners) Act 2026* (NSW) establishes a legislative

framework for prefabricated building declarations and staged building approvals. However, the practical operation of these provisions will depend on supporting regulations, guidance and systems.

RDASNA supports evaluating the reforms as they are implemented across different regional markets and project scales. This should include whether councils have the guidance, capability and systems required to administer the new approval pathways effectively, and whether similar principles could reduce duplication while retaining necessary site-specific assessment.

### Prioritise coordination before removing requirements

RDASNA considers that better coordination and communication should generally take priority over removing approval requirements. Where delays arise from fragmented responsibilities, sequential referrals, inconsistent information requirements or limited agency or council capacity, removing a requirement will not resolve the underlying coordination problem.

Requirements should nevertheless be reviewed where evidence demonstrates that they are duplicative, disproportionate to the risk or no longer provide a clear public benefit. The objective should not be removal for its own sake. A more integrated and proportionate process should allow verified information to be reused, referrals to occur concurrently where appropriate, and responsibility for resolving issues to be clear. Necessary site-specific assessment should be retained, particularly where environmental, infrastructure, hazard, heritage or community impacts differ materially between locations.

### Measure where delay occurs

Approval performance should be transparent, but headline assessment times should not be treated as a complete measure of regulatory efficiency.

NSW reporting illustrates the distinction.

#### Regional illustration: Wingecarribee Shire Council

In FY2024–25, Wingecarribee Shire Council recorded an average development application assessment time of 240 calendar days across 484 applications of all development types, against an expectation of 115 days. Of these applications, 29% were determined within the expected timeframe (NSW Department of Planning, Housing and Infrastructure [DPHI], n.d.). RDASNA's Housing Report separately examined residential development applications and found that extended assessment periods can include time spent addressing site-specific issues and requests for additional information, rather than assessment activity alone (RDASNA, 2025).

More recent dashboard data indicate substantial improvement, although the current reporting period is incomplete and covers far fewer applications. At the time of access, Wingecarribee had recorded an average assessment time of 55 calendar days across 35 applications, with 89% determined within the applicable 90-day expectation (DPHI, n.d.). The NSW Government revised its performance framework from 1 July 2026, including the 90-day assessment expectation and measures intended to provide a more complete picture of end-to-end council performance (DPHI, 2026b).

Performance reporting should therefore identify where time is being incurred within the approval pathway, including, where practicable, time associated with assessment authorities, applicants, referrals and other dependencies. This would allow governments to target the actual causes of delay rather than responding to an aggregate timeframe.

Overall, RDASNA supports approval reform that is proportionate to risk, resolves predictable complexity earlier and measures the causes of delay in addition to processing time alone. Faster approvals are valuable, but the objective should remain faster delivery of appropriate housing, not faster regulatory activity in isolation.

# Housing-enabling infrastructure and developer contributions

## Information Requests 4.1–4.5

RDasNA supports the Commission's proposed reforms to better coordinate infrastructure planning with housing growth. Infrastructure readiness should be treated as part of housing readiness.

Land-use reform will not increase housing supply where existing water, wastewater, transport, energy or other enabling infrastructure cannot support development. This is particularly important in regional markets, where major infrastructure upgrades may serve existing communities and future growth and cannot reasonably be attributed to, or funded by, a single housing development.

The Commission proposes aligning infrastructure planning with housing objectives, considering infrastructure lead times when land is rezoned, and clearly allocating responsibilities for planning and delivery. RDasNA supports this direction and recommends identifying infrastructure requirements, sequencing, funding responsibilities and realistic delivery pathways before or alongside increases in planned housing capacity, instead of after development opportunities have been created (Productivity Commission, 2026).

### Regional illustration: Boorowa

Boorowa demonstrates the scale of enabling infrastructure investment that can underpin regional growth. Hilltops Council has identified the Harden-to-Boorowa Pipeline as its preferred long-term water-security option for Boorowa since at least 2017. In February 2026, Council reported receiving detailed design and estimated the project at approximately \$56 million, including around \$12 million in Goldenfields Water connection charges for 1,183 connections. Further funding would be required for construction, with the report recommending that Council continue advocating to the NSW and Australian governments for funding support (Hilltops Council, 2026).

The example reinforces RDasNA's broader regional finding that housing supply depends not only on land availability but also on enabling infrastructure (RDasNA, 2025). Land should therefore not be counted as effective housing capacity without a credible pathway to the infrastructure required to service it.

### Contributions should reflect who benefits

RDasNA supports the Commission's proposed principles of nexus, cost-reflective contributions and fair apportionment. Where development creates a demonstrated need for infrastructure, an appropriate contribution should be made. However, where infrastructure also benefits existing communities or enables wider future growth, its cost should be apportioned accordingly rather than loaded disproportionately onto an individual development (Productivity Commission, 2026).

This is particularly important when the first development in a growth area would otherwise be required to fund infrastructure that will also support subsequent development. RDasNA supports mechanisms that address this first-mover disadvantage, including government meeting or financing an appropriate share of upfront infrastructure costs and recovering costs from later beneficiaries where practicable.

RDasNA also supports allowing developer contributions to be staged or paid later where this improves development feasibility, provided a credible mechanism exists to fund infrastructure when it is actually required. The Commission identifies this timing problem directly: delaying contributions can improve project feasibility, while infrastructure may need to be delivered before those contributions are received (Productivity Commission, 2026).

## A role for the Australian Government

RDASNA supports an Australian Government role in addressing housing-enabling infrastructure gaps where investment can demonstrably unlock additional housing supply.

This could include direct funding, concessional or low-interest finance, and bridging mechanisms for infrastructure that must be delivered ahead of development contributions, particularly where the infrastructure supports broader community and future-growth needs. The Commission is expressly considering these mechanisms, including support for councils to bring infrastructure forward and approaches to first-mover costs (Productivity Commission, 2026).

Government support should be tied to clearly identified housing outcomes and infrastructure constraints, with transparent monitoring of whether investment results in serviced land, development and ultimately completed housing.

Housing and infrastructure planning should therefore operate as one delivery pathway. Increasing zoned capacity without identifying how enabling infrastructure will be funded and delivered risks increasing theoretical housing capacity without increasing housing supply.

## Implementing reform

### Information Request 5.1

RDASNA supports a staged but coordinated implementation approach. Housing reform should be sequenced around the housing-delivery pathway, instead of implemented as disconnected changes to individual regulatory processes.

Some reforms can be progressed relatively quickly. Clearer pre-lodgement requirements, simpler pathways for genuinely low-complexity development, better coordination between decision-makers and more transparent reporting of where approval time is incurred can improve the operation of existing systems. The Productivity Commission similarly identifies opportunities for relatively quick progress through approval and developer-contribution reforms while more structural reforms proceed in parallel (Productivity Commission, 2026).

Structural reforms are generally more complex to implement because they may require sustained funding, long lead times, technical studies, intergovernmental coordination and specialist capability that is not consistently available in regional areas. Implementation plans should explicitly identify these dependencies, assign responsibility for resolving them, and set realistic milestones, rather than treating all reforms as procedural changes that can produce immediate results.

These longer-term constraints include strategic land-use planning, major enabling infrastructure, development feasibility and sustained regional planning capability, none of which can be resolved through faster approvals alone. RDASNA's regional housing research identifies the need to build planning and assessment capacity in smaller LGAs, coordinate housing and infrastructure sequencing, strengthen cross-government collaboration, and monitor approvals and dwelling supply over time (RDASNA, 2025).

RDASNA therefore recommends that implementation:

- diagnose the binding constraints first, using measures that distinguish theoretical housing capacity from development-ready and feasible capacity;
- resolve predictable constraints upstream, including strategic planning and infrastructure requirements;
- apply proportionate approval pathways once development reaches assessment;
- coordinate the funding and delivery of enabling infrastructure with planned housing growth; and
- measure outcomes through housing delivery, including serviced land and completed dwellings, rather than regulatory activity alone.

Implementation should also give effect to the *National Agreement on Closing the Gap*. Where housing reforms affect Aboriginal and Torres Strait Islander communities, shared decision-making and partnership should be embedded throughout their design, implementation and evaluation, consistent with the Agreement's Priority Reforms and housing outcomes ("National Agreement on Closing the Gap," 2020).

The Australian Government can support implementation through coordination, capability, investment and accountability by facilitating nationally consistent best-practice principles; supporting planning and technical capability where regional capacity is constrained; investing in or financing infrastructure that demonstrably unlocks housing; and supporting consistent data and monitoring across jurisdictions.

## Conclusion

Ultimately, housing regulation should be assessed by whether it helps deliver more appropriate homes where they are needed. For regional communities, that requires looking beyond individual regulatory settings to the full pathway from land-use planning and infrastructure readiness through approvals, feasibility, construction and occupation. RDASNA supports the Commission's reform direction and encourages the final report to embed this place-based, systems perspective in both the design and evaluation of housing regulatory reform.

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