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Housing Supply Regulation Inquiry
Productivity Commission
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Dear Commissioners

Submission to the Housing Supply Regulation Inquiry

The Australasian Railway Association (ARA) welcomes the opportunity to provide a submission to the Productivity Commission's inquiry into housing supply regulation.

The ARA is the peak body for the rail sector in Australia and New Zealand, representing more than 240 member organisations across passenger rail, freight rail, track owners, contractors, suppliers, manufacturers and consultants. Our members support vibrant, sustainable and connected communities through greater use of rail and more integrated transport planning.

The Productivity Commission's call for submissions identifies three areas of focus: approval processes, the availability and use of land for housing, and processes and frameworks to deliver new and utilise existing housing-enabling infrastructure. The ARA's comments focus on the third of these areas: the planning and delivery of housing-enabling infrastructure.

In the ARA's view, housing supply reform must, and can only, be considered alongside transport planning. New housing that is delivered without adequate public transport, active transport and freight connectivity can create long-term social and economic costs through congestion, reduced access to employment, higher household transport costs and expensive future infrastructure retrofits.

The ARA supports reforms that improve housing supply, reduce unnecessary delay and support more efficient delivery of housing-enabling infrastructure. However, faster approvals should not result in infrastructure-poor, car-dependent communities. The most effective reforms that support optimal long-term social and economic outcomes will be those that coordinate housing, transport, energy, infrastructure and environmental policy from the outset.

Policy reform to achieve these outcomes would include early assessment of public transport capacity, rail corridor protection, station precinct access, active transport connections, accessibility requirements and the infrastructure sequencing needed to support new communities.

Integrated land use and transport planning

Housing growth should be prioritised in locations that can be served by existing or committed public transport infrastructure, particularly rail and other high-capacity transport corridors. Planning systems should support greater density around stations and transport nodes, while ensuring the infrastructure required to support that growth is planned and funded early.

Moreover, studies by Verplanken et al (2008) and Bamberg (2006) ¹ find that during major life changes, such as moving house, people are substantially more likely to consciously reconsider how they travel and adhere to those changes once adopted. Conversely, old habits – such as continuing to drive to employment – are likely to remain if not changed immediately following the major life change event.

Strategic land use planning is essential to ensure new communities do not miss out on existing transport connections, or access to new ones. Adequate rail transport opens access to employment, education, services and community life, improving liveability and community wellbeing. Without, it erodes the affordability benefit of the cheaper house. In practical terms, a home is not truly affordable if the household must take on another car, higher fuel costs, longer commutes and reduced access to services.

However, these outcomes cannot be achieved through the simple rezoning of land near stations. It should be supported by station upgrades, safe walking and cycling access, accessible interchange design, service capacity, maintenance and stabling requirements, and protection for future network expansion.

Further, major housing growth plans should include an integrated transport infrastructure plan before rezoning or major approvals are finalised.

Housing-enabling infrastructure

The ARA supports the Productivity Commission's focus on housing-enabling infrastructure, including growth infrastructure planning and developer contribution models. Poorly sequenced infrastructure can delay housing supply, reduce project feasibility and impose costs on future residents and governments. Conversely, early and coordinated transport planning can unlock land, improve development certainty, support more efficient infrastructure investment and reduce the need for costly retrofits.

Accordingly, transport infrastructure should be treated as core housing-enabling infrastructure, alongside utilities, roads, schools and community facilities.

Where infrastructure contributions or funding agreements are used, they should support the transport infrastructure needed to make housing functional and connected. This includes train station precinct improvements, active transport links, interchange capacity, accessibility upgrades and first-and-last-mile connections.

Corridor protection and freight access

Housing supply reforms should also protect existing and future transport infrastructure such as rail corridors, freight routes, intermodal terminals, maintenance facilities, stabling facilities and other rail operational land from incompatible encroachment.

Residential development near rail infrastructure can be appropriate and highly successful where it is well planned. However, poorly managed encroachment can create operational constraints, land-use conflicts

¹ Verplanken, B., Walker, I., Davis, A. and Jurasek, M.. 2008. Context change and travel mode choice: Combining the habit discontinuity and self activation hypothesis, *Journal of Environmental Psychology*; Bamberg, S.. 2006. Is a Residential Relocation a Good Opportunity to Change People's Travel Behaviour? Results from a Theory-Driven Intervention Study. *Environment and Behaviour*.

and future costs. Planning systems must preserve nationally significant transport corridors and avoid regulatory settings that can compromise future passenger or freight capacity.

This is particularly important as Australia's freight task grows and governments seek to reduce congestion and emissions through mode shift to rail freight. Planning decisions that constrain rail freight access can have long-term productivity, safety and sustainability impacts.

Sustainability, resilience and emissions reduction

Streamlining housing approvals should not weaken sustainability, climate resilience or accessibility outcomes. Instead, reform should clarify how these objectives are incorporated efficiently and consistently into planning policy.

Greater use of rail offers an immediate opportunity to reduce transport emissions, congestion and road safety impacts. The importance of whole-of-life thinking in infrastructure planning, design and procurement to reduce embodied emissions and support resilient infrastructure needs to be considered.

Housing reforms should therefore support compact, connected communities that reduce reliance on private vehicles and make public and active transport the easiest choice for more trips. This will help governments deliver housing supply while also supporting net zero commitments, productivity and liveability.

Recommendations

The ARA recommends that the Productivity Commission include the following priorities in its interim report:

1. Recognise integrated land use and transport planning as a core housing supply reform.
2. Require major housing growth areas to include an integrated transport infrastructure plan before rezoning or major approvals are finalised.
3. Prioritise housing supply in areas served by existing or committed public transport infrastructure, particularly rail and other high-capacity transit corridors.
4. Ensure infrastructure contribution frameworks support station precinct access, active transport links, accessibility upgrades and public transport capacity, rather than treating transport as a later-stage add-on.
5. Protect existing and future rail corridors, freight routes, intermodal terminals, stabling, maintenance and operational land from incompatible residential encroachment.
6. Develop nationally consistent guidance on transit-oriented housing delivery so that housing reforms support genuinely connected accessible and resilient communities, and avoid creating future costs through poorly planned density around rail and public transport corridors.
7. Ensure faster approvals do not compromise the transport planning required to deliver connected, resilient and low-emissions communities.

Conclusion

The ARA supports reforms that enable more homes to be built more quickly. However, housing supply must be planned in a way that creates connected communities, supports productivity and avoids locking in long-term transport disadvantage.

The most effective regulatory reforms will not only make land available for housing, but ensure that land is ready to support sustainable and liveable communities. Integrated transport planning, corridor protection and early investment in housing-enabling infrastructure should therefore be central to the Productivity Commission's reform priorities.



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