



**Australian
Institute of
Architects**

ABN 72 000 023 012
The Royal Australian Institute of Architects
trading as Australian Institute of Architects

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17 February 2023

Economic and Finance Committee
Parliament House
North Terrace
Adelaide SA 5000
EFC.Assembly@parliament.sa.gov.au

Dear Committee,

**RE: PARLIAMENTARY ECONOMIC AND FINANCE COMMITTEE INQUIRY INTO
HOUSING AVAILABILITY**

The Australian Institute of Architects (the Institute) is the peak body for the architectural profession in Australia. It is an independent, national member organisation representing over 13,000 members across Australia and overseas. More than 850 of these are based in South Australia and are supported by the SA Chapter.

The Institute commends the Economic and Finance Committee (EFC) on its resolution to inquire and report on South Australian housing availability and is pleased to respond to the invitation to provide a broad perspective on the key issues.

Background

The Institute has advocated for many years to both the federal and state government on issues of social and affordable housing.

The key issues have been:

- Expanding supply and
- Ensuring that good design is a key consideration of social and affordable housing.

One of the six priorities of the Institute's 2022 Federal Election advocacy campaign, *A Time for Action*, was a broad recommendation to "Fix the supply of affordable and social housing".



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The Institute re-stated this recommendation to the new government in the lead up to the October 2022 Federal Budget. This recommendation scoped:

- Centralising and publishing data on all housing supply and consequently, setting minimum targets for supply for social and affordable housing, including the eradication of waitlists.
- Establishing a national minimum standard for the implementation of inclusionary zoning in collaboration with State governments and provide incentives for State governments to implement that standard.
- Setting appropriate standards to elevate housing quality, particularly in remote and regional areas, ensuring housing is fit for purpose, accessible and responsive to community and resident needs. This includes long-term maintenance programs.
- Significantly increasing funding for social housing dwellings and additionally significantly increasing funding for co-designed new social housing residences for First Nations peoples to address the chronic underfunding and undersupply of housing for Australia's indigenous peoples.
- Addressing the supply of social housing as a long-term commitment rather than short term or one-off initiatives.

Three of the twelve recommendations of the Institute's 2022 South Australian State Election Policy Positioning Statement were broadly themed as "Housing - improved affordability and design".

Specifically, these recommendations were:

- Recommendation 1: Mandated targets for social and affordable housing; with incentives for flexible and diverse housing types. This includes minimum allocation of spending into social housing from federally funded projects (e.g. City Deals) and incentives to ensure all suitable private developments have a minimum percentage of affordable housing
- Recommendation 2: Ensure good design, improved quality and livability is at the core of the planning system, with incentivized engagement of architects for the design of social, accessible, and affordable housing
- Recommendation 3: Invest into green building and energy fund to assist homeowners in selecting for new homes and retrofitting for existing homes building materials and technologies to ensure long-term energy efficient and sustainable housing.



Terms of Reference

The SA Chapter has an active *SA Housing Task Group* within its governance structure, which is comprised of architects with expertise in the design and delivery of diverse housing typologies, including affordable and social housing. We also offer the following notes as a broad response to the issues outlined in the Terms of Reference.

Availability of affordable housing

- The lack of affordable housing is not new, and it goes beyond a supply issue. Recent housing stimulus packages have increased the volume of housing being constructed but have not addressed the shortage of affordable or social housing. Enforcement of affordable housing quotas applied to large scale residential development needs to be supported by direct government investment in affordable housing.

Economic impacts

- Placing low SES people in housing on the urban fringe locks in inequity and drastically increases the burden of disease. Refer to [The Australian Prevention Partnership Centre](#) for additional information about the link between urban fringe development and chronic disease prevalence. This has already been observed in developments including Burton and Mt Barker.
- Greenfield development is artificially cheap, as the true cost of social disadvantage caused by maintenance, running costs, transport, etc. is not taken into consideration. For additional resources, refer to
 - o [Infrastructure Victoria's report](#) on the comparative costs of urban development
 - o [University of Sydney's report](#) on the cost of infill versus greenfield development

The additional cost to government in development of greenfield sites could equally be invested in provision of subsidised affordable housing in areas that are better connected to existing infrastructure and employment opportunities.

- The cost of **not** housing people is rarely measured up against the cost of good housing development. The [Give Me Shelter study](#) shows that if no action is taken on Australia's housing shortfall, the additional cost to Australia in foregone benefits and additional social outlays will reach \$25 billion annually by 2051 (in 2021 dollars). The estimated benefits of providing adequate housing reach almost \$110 billion.



Partnerships with the private market

- Partnerships between the private market and social housing providers already exist but need long term financial support to ensure continuity. For example, KHAB Architects are working with YourPlace Housing to deliver 42 houses for people with disabilities.
- To maximise the benefit architects can deliver through these projects, innovations such as shared community spaces which assist in addressing social isolation, need to be permitted. These are vital to projects designed to address specific demographics, such as older women.
- Current SAHA policy and conditions associated with government policy restrict innovation and the diversity of housing able to be delivered. A key barrier is the requirement that public housing be able to be sold competitively on the open market in the future. This criterion is assessed against current real estate parameters, which are systemised and do not support innovation or housing diversity. The result is a reduction in the benefit provided to the intended residents.

Other matters

- Adequate representation of architects and design professionals is required on governing bodies that oversee housing matters. Architects have significant expertise in the scoping and delivery of housing projects and can provide valuable perspective in relation to the formulation of policy and scoping and feasibility of projects.
- A more creative approach is needed to deliver innovative housing delivery models, that lower upfront expense costs, expedite supply and increase housing diversity. For example:
 - o Updated policies within local councils allowing well-considered tiny homes and subdivisions of existing large properties, such as the [Cohousing for Ageing Well initiative in the City of Unley](#)
 - o Smaller footprint homes built on infill land without requirements for parking spaces if near adequate public transportation
 - o Alternative construction methods such as transportable, pre-fabrication and modular construction. These may also assist in addressing housing availability in regional areas with seasonal employment opportunities.
- Undertake international benchmarking and review innovative housing delivery models, that lower upfront expense costs, expedite supply and increase housing diversity.



- Undertake international benchmarking to explore new approaches to financing and tenure options that increase the supply and security of tenure. Rent-to-buy and Build-to-rent are two options currently being introduced in South Australia.

Moving forward

If the key performance indicator of government housing projects remains a short-term economic return on investment, innovation in housing models and supply is not possible. Government should invest in housing innovation as a KPI to encourage experimentation. Without this, we will keep achieving the same results.

The mass housing sector, which provides the majority of housing in South Australia, is inherently conservative. For example, resistance to the implementation of NCC 2022 in SA, which will improve the energy efficiency and accessibility of new homes, has been vigorous from this sector. However, affordable housing is intended for those with minimal income who have the least capacity to pay to heat and cool their homes, or modify them should they require enhanced accessibility.

Engagement of architects to design affordable housing will provide improved outcomes for residents, with the profession's education and experience enabling them to achieve higher standards of initial design and construction, resulting in cost savings over the life of the homes. Architects will help ensure that affordable South Australian homes embody good design that enables:

- o High energy efficiency and climate resilience
- o Reduction in embodied carbon
- o High liveability and accessibility for people of all abilities and ages now and in the years ahead
- o Enhancement of occupants' physical and mental wellbeing
- o Durability and adaptability to future family and life cycle needs
- o Homes and residential precinct masterplans that promote social and economic inclusion across various urban, regional, and remote settings

South Australia has a strong legacy of social and affordable housing, with the SA Housing Trust initially being established to provide affordable housing for key workers in the manufacturing sector. Housing Trust developments including Dr Kent's Paddock, the three-story walk-up on the corner of Portrush Road and Phillips Street Kensington, and the Manitoba Housing Complex, which was the first public rental housing scheme built in the City of Adelaide, all demonstrate the longevity and liveability resulting from engaging architects to design affordable housing.



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We welcome all opportunities for further submissions and engagement and make ourselves available for future meetings and/or stakeholder engagement to elaborate on any items raised.

Yours sincerely,

Nicolette D Lerna FRAIA

EXECUTIVE DIRECTOR SOUTH AUSTRALIA