

HOUSING LEGISLATIVE PACKAGE SUBMISSION



(HOUSING AUSTRALIA FUTURE FUND BILL, NATIONAL HOUSING SUPPLY AND AFFORDABILITY COUNCIL BILL, TREASURY LAWS AMENDMENT (HOUSING MEASURES NO. 1) BILL 2023)



Australian Government Department of the Treasury

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**Australian
Institute of
Architects**

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2023 Housing Legislative Package Submission

INFORMATION ABOUT THE INSTITUTE

- The Australian Institute of Architects (Institute) is the peak body for the architectural profession in Australia. It is an independent, national member organisation with more than 13,000 members across Australia and overseas.
- The Institute's vision is: *Everyone benefits from good architecture.*
- The Institute's purpose is: *To demonstrate the value of architecture and support the profession.*
- At the time of this submission the National President is Shannon Battisson FRAIA and the Acting Chief Executive Officer is Barry Whitmore.

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About the cover photo

The Australian Institute of Architects' 2022 Sir Zelman Cowen Award for Public Architecture Bundanon. Kerstin Thompson Architects. Traditional Land Owners: The Wodi Wodi and the Yuin peoples of the Dharawal country. Photographer: Rory Gardiner.

For further information visit: <https://www.architecture.com.au/awards/2022-awards/2022-act-architecture-awards-winners/the-sir-zelman-cowen-award-for-public-architecture-bundanon>

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1 SUMMARY OF RECOMMENDATIONS

Recommendation 1. The Institute recommends that the National Housing and Homelessness Plan (NHHP) is legislatively established. This way it is more likely to endure changes of government including changes to the architecture of federal government and federal and states/territories relations over the longer term. It is critical given the role of the plan now and into the future. (p.6)

Recommendation 2. The Institute strongly recommends that the Council includes “architecture” as an additional field to Subsection 22(2) (a)- (k). A person on the Council with substantial experience, expertise or qualifications and significant standing in architecture will help ensure that social housing and affordable Australian homes embody good design that enables:

- high energy efficiency and climate resilience
- reductions in embodied carbon
- high liveability and accessibility for people of all abilities and older Australians now and in the years ahead
- enhancement of occupants’ physical and mental wellbeing,
- durability and adaptability to future family and life cycle needs
- homes and residential precinct masterplans that promote social and economic inclusion across various urban, regional, and remote settings (p.6)

Recommendation 3. The Institute recommends that “housing outcomes” would benefit from definition or description in the legislation. It is important that “housing outcomes” include fitness for purpose of the design and final quality of the constructed housing stock. (p.7)

Recommendation 4. The Institute recommends that consideration be given to the role of Housing Australia as an important government instrumentality to auspice a government architect at the national level. We note the previous considerations outlined in this submission about good design and architecture expertise as a success factor for social and affordable housing creation. If Housing Australia were to auspice a government architect, the Housing Australia Act may require legislative provision to do so. (p.8)

2 INTRODUCTION

The Australian Institute of Architects (the Institute) welcomes the opportunity to provide its recommendations on the package of legislation comprising the:

- Housing Australia Future Fund Bill 2023
- National Housing Supply and Affordability Council Bill
- Treasury Laws Amendment (Housing Measures No. 1) Bill 2023 (Amendment Bill)

2.1 Background

The Institute has advocated for many years to both the federal and individual states and territories 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”.

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.

The Institute specifically asked the Treasurer to use the October budget to honour Labor's pre-election commitments to:

- extend the NT housing funding agreement intended to reduce widespread overcrowding in remote Indigenous communities.
- provide \$100 million additional funding for immediate work on urgent housing and infrastructure on the NT's homelands - communities with small populations established on culturally significant lands.
- provide \$200 million from the Housing Australia Future Fund for the repair, maintenance and improvement of remote housing in Western Australia, South Australia, Queensland and the Northern Territory.

The Institute also noted the 15th of July 2022 Housing Minister's meeting and the commitment achieved for a collaborative approach between all levels of government to progress the Albanese Government's housing reform agenda. We commended that the meeting had followed through on Labor's pre-election commitment to establish a National Housing Supply and Affordability Council, as well as announcing that a National Housing and Homelessness Plan (NHHP) would also be developed.

2.2 A New National Housing Supply Council

Australians had previously benefitted from a National Housing Supply Council (NHSC) from 2008 to 2013.

The composition of the previous NHSC included representatives from Commonwealth and selected state and territory governments, social housing agencies, academia, property and development businesses and also one professional industry association, the Planning Institute of Australia.

Our Institute recently wrote to the Minister for Housing offering to make a valuable contribution to the new National Housing Supply and Affordability Council through fielding an architect to sit on the Council. Our rationale for this offer is outlined in our response below to the National Housing Supply and Affordability Council Bill.

3 RESPONSE TO THE LEGISLATION PACKAGE

The Institute's overall supports the legislation package as it addresses key elements of the Institute's positioning as outlined above.

3.1 Housing Australia Future Fund Bill

The Bills create the fiscal mechanism of the Housing Australia Future Fund to support and increase social and affordable housing, including housing improvements to meet the particular needs of remote Indigenous communities and housing services for women, children and veterans.

The Institute commends the detail provided in the explanatory notes stating that the Housing Australia Future Fund will provide \$200 million for the repair, maintenance, and improvements of housing to meet the specific needs of remote Indigenous communities. We recommend that the initiative must embrace a partnership approach which includes co-design as stated in our previous positioning.

The Institute also notes that the specified functions of Housing Australia will be expanded to include capacity building¹. This capacity building function should be used as part of a partnering approach for the repair, maintenance, and improvements of housing to meet the specific needs of remote Indigenous communities pursuant to improving housing outcomes for Aboriginal or Torres Strait Islander people under new Subsection 1(C)(b)(ii) of the Housing Australia Act.

3.1.1 National Housing and Homelessness Plan.

The explanatory material for the legislative package in the chapter on the Housing Australia Future Fund Bill sets out that program delivery will be guided by a package of reforms which includes the National Housing and Homelessness Plan. The plan is proposed to,

'set out the key short, medium and longer term reforms needed to improve housing and homelessness outcomes across the spectrum, including to make it easier for Australians to buy a home, easier to rent, and reduce homelessness.'²

The plan was outlined in the October 2022 budget fact sheet *Improving Housing Supply and Affordability*.³ The Australian Housing and Urban Research Institute has made recent comment about the plan,

'Primarily, an effective National Plan would help to coordinate cooperation between the Commonwealth and the States and Territories Governments, under the direction of the Commonwealth Government but would require fair and honest input and evaluation from the States and Territories. The Plan would need to establish which jurisdiction is responsible for which actions and outcomes, and what are shared responsibilities and how they will best be funded. It would also consider and establish what are the roles and responsibilities for local governments, the community housing sector and other aspects of the housing industry, including finance systems, residential developers and for-profit housing providers.'⁴

¹ As per proposed amendments to the National Housing Finance and Investment Corporation (NHFIC) Act 2018 which will see NHFIC renamed as Housing Australia and the Act renamed as the Housing Australia Act.

² Legislative package exposure draft explanatory material p. 9

³ See: https://budget.gov.au/2022-23-october/content/factsheets/download/factsheet_housing.pdf

⁴ *The need for a robust Australian National Housing and Homelessness Plan*. 24 Oct 2022.

<https://www.ahuri.edu.au/research/brief/need-robust-australian-national-housing-and-homelessness-plan>

The Institute notes that the National Housing and Homelessness Plan (NHHP) is an important announced policy of the current government. However, the NHHP is not legislatively established. It has neither been included in the Housing Australia Future Fund Bill, the National Housing Supply and Affordability Council Bill or any proposed amendments to the Housing Australia Act⁵.

Recommendation 1. The Institute recommends that the National Housing and Homelessness Plan (NHHP) is legislatively established. This way is it is more likely to endure changes of government including changes to the architecture of federal government and federal and states/territories relations over the longer term. It is critical given the role of the plan now and into the future.

3.2 National Housing Supply and Affordability Council Bill

The Institute strongly supports the Housing Council Bill which establishes the National Housing Supply and Affordability Council to deliver independent advice to the Government on options to improve housing supply and affordability.

Under Subsection 22(2) of the Bill,

- (2) A person is not eligible for appointment as an appointed member unless the Minister is satisfied that the person has:
- (a) substantial experience, expertise or qualifications; and
 - (b) significant standing;
- in at least one of the following fields:
- (c) economics.
 - (d) urban development;
 - (e) residential construction;
 - (f) urban planning;
 - (g) demography;
 - (h) social housing;
 - (i) social policy;
 - (j) housing and homelessness policy;
 - (k) regulation, taxation or government policy relating to housing.

Recommendation 2. The Institute strongly recommends that the Council includes “architecture” as an additional field to Subsection 22(2) (a)- (k). A person on the Council with substantial experience, expertise or qualifications and significant standing in architecture will help ensure that social housing and affordable Australian homes embody good design that enables:

- high energy efficiency and climate resilience
 - reductions in embodied carbon
 - high liveability and accessibility for people of all abilities and older Australians now and in the years ahead
 - enhancement of occupants’ physical and mental wellbeing,
 - durability and adaptability to future family and life cycle needs
 - homes and residential precinct masterplans that promote social and economic inclusion across various urban, regional, and remote settings.
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⁵ Currently National Housing Finance and Investment Corporation Act.

Attention to these outcomes informed by significant architectural design expertise, is not only important for free standing and adjoining dwellings such as the traditional home, units and town houses, but also multi-storeys, high-rise apartments which are becoming a more mainstream feature of the Australian housing landscape.

3.3 Housing Australia Act

The Treasury Laws Amendment (Housing Measures No. 1) Bill 2023 will primarily amend the National Housing Finance and Investment Corporation Act 2018. This which will see the National Housing Finance and Investment Corporation renamed to “Housing Australia” and the Act renamed as the Housing Australia Act⁶.

3.3.1 Capacity building

The Institute commends Housing Australia’s additional function of capacity building to be set out in the legislation. As noted above this can be used as a means to work closely with First Nations communities to create a collaborative means to improving “housing outcomes”.

3.3.2 Housing outcomes

“Housing outcomes” are referenced in the current NHFIC Act 2018 and the phrase is re-stated in the amendments to the Housing Australia Act.

Recommendation 3. The Institute recommends that “housing outcomes” would benefit from definition or description in the legislation. It is important that “housing outcomes” include fitness for purpose of the design and final quality of the constructed housing stock.

For example, a recent report on sustainable Indigenous housing in regional and remote Australia, prepared by the Australian Housing and Urban Research Institute Limited (AHURI) found that, ‘...attention to climate change is not yet a feature of Indigenous housing and infrastructure agreements, with inadequate funding and attention paid to climate preparedness in new builds, refurbishments and retrofit programs.’⁷

That same report noted,

‘Quantitative analysis of the resilience of existing housing stock ...reveals the inadequacy of existing policy responses for current and anticipatable climate challenges.’⁸

Addressing design and quality is critical to addressing fitness for purpose and the broader context of housing outcomes in social and economic terms. Poor quality buildings and housing impact the ability to live, work and learn effectively.

A 2022 report by the Australian National Audit Office (ANAO) further noted,

⁶ The bill also consequentially amends other Acts where NHFIC is referenced.

⁷ Sustainable Indigenous housing in regional and remote Australia -Final Report - Australian Housing and Urban Research Institute Limited (AHURI) Nov 2021 (<https://www.ahuri.edu.au/research/final-reports/368>)

⁸ As above

“Overcrowding and poor quality housing are associated with poor health, educational and employment outcomes, and increased family violence. In Australia, the highest levels...occur in remote areas of the Northern Territory (NT)”⁹

Moreover, despite the best previous efforts of all governments over several decades, public housing¹⁰ is still often regarded as of lower quality to private dwelling stock.

The challenge is to create for future generations a long term positive social and affordable housing legacy. The Institute therefore promotes the need to pay attention to the quality of design that is highly responsive to settings in which any buildings are located, including broader precinct and masterplans.

Our new housing stock will need to be designed to protect people’s health and provide comfort for occupants in the face of climate change. This will go hand in hand with energy efficient designs that reduce the financial impact of energy consumption for occupants.

Climate resilience also means that buildings (and associated infrastructure) can better withstand climate extremes and require minimal reparative work when damage does occur. Designing in resilience and adaptability to local climate also encompasses the materials that are used. Building materials must be durable and preferably require little maintenance which will lead to reduced maintenance costs.

The Institute therefore re-states that the National Housing Supply and Affordability Council should also include architecture amongst the fields of experience, expertise or qualifications that the Minister seeks in appointing members to the council.

3.3.3 Role for a Government Architect

All of the mainland Australian States and Territories, maintain the position of a “Government Architect” to provide leadership and independent strategic advice to government in relation to architecture and urban design.

A Head of Architecture was established in the UK government in 2019, as an advisor to the Ministry for Housing, Communities and Local Government (MHCLG). From that role, a broader whole of government role remit has developed to provide design advice to other areas of government.

Recommendation 4. The Institute recommends that consideration be given to the role of Housing Australia as an important government instrumentality to auspice a government architect at the national level. We note the previous considerations outlined in this submission about good design and architecture expertise as a success factor for social and affordable housing creation. If Housing Australia were to auspice a government architect, the Housing Australia Act may require legislative provision to do so.

⁹ Remote Housing in the Northern Territory – ANAO Feb 2022 (<https://www.anao.gov.au/work/performance-audit/remote-housing-the-northern-territory>)

¹⁰ Public housing is one of the two components of social housing in Australia, the other being community housing.