



Australian  
Institute of  
Architects

# FEDERAL BUDGET CONSULTATION 2026-2027



Australian Government, Treasury  
January 2026

AUSTRALIAN INSTITUTE OF ARCHITECTS

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## OVERVIEW

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- This submission is made by the Australian Institute of Architects (the Institute) to provide input on the development of the 2026 -27 Federal Budget.

In the face of a housing crisis, growing economic inequality, and global issues such as climate change, bold leadership from government and industry is required to deliver well-designed, diverse, and sustainable housing that serves all Australians and gives them a fair chance at secure housing throughout their lives.

Australia needs a Federal Government Architect to unlock economic prosperity, assist in addressing the housing crisis, fortify climate resilience, and build thriving communities—delivering unmatched public value through expert design leadership. States like NSW, Victoria, and Queensland thrive with Government Architects providing independent advice, boosting design quality, and saving costs—extending this approach nationally can integrate biodiversity, First Nations knowledge, and adaptation policies, creating holistic wins: modular housing, lower energy bills, and resilient urban precincts. This isn't added bureaucracy, rather an opportunity for the Federal Government to amplify its impact by de-siloing investment and providing streamlined coordination across federal-state lines for future-proof infrastructure.

This upcoming Federal Budget provides the opportunity to take forward enabling mechanisms for sustainable housing solutions such as a Housing Australia Design Guide, a Federal Government Architect, and a well-resourced National Urban Policy. The Australian Institute of Architects is keen to develop with Government good design pathways and outcomes to benefit Australia's housing stock and the sustainable growth of our suburbs and cities.

## ABOUT THE INSTITUTE

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The Australian Institute of Architects (Institute) is the peak body for the architectural profession in Australia. It is an independent, national member organisation with around 14,000 members across Australia and overseas.

The Institute exists to advance the interests of members, their professional standards and contemporary practice, and expand and advocate the value of architects and architecture to the sustainable growth of our communities, economy and culture.

The Institute actively works to maintain and improve the quality of our built environment by promoting better, responsible and environmental design.

At the time of this submission the National President is Adam Haddow FRAIA.

## CONTACT DETAILS

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The Australian Institute of Architects recognises the unceded sovereign lands and rights of Aboriginal and Torres Strait Islander peoples as the First Peoples of these lands and waters.

This recognition generates acknowledgement and respect for Aboriginal and Torres Strait Islander Countries, Cultures and Communities, and their ways of being, knowing and doing.

Caring for Country practices including architecture and place shaping have existed on this continent since time immemorial.

The Institute recognises a professional commitment to engage and act meaningfully through reciprocal partnership and relationships with Aboriginal and Torres Strait Islander peoples. Together we will support and develop the emergence of new possibilities for our shared future.



## DELIVERING HEALTHY, EQUITABLE, AFFORDABLE AND SUSTAINABLE HOUSING THAT STRENGTHENS COMMUNITY CONNECTIONS

Architect-led design is key to solving Australia's housing crisis. Supporting architects means investing in affordable, sustainable homes that prioritise people, reduce government spending, and stabilise the housing market for long-term resilience. Good design elevates housing beyond basics, improving health, wellbeing, and environmental performance while ensuring adaptability for changing needs like aging in place. Research shows integrating universal design features costs 22 times less upfront than retrofitting later,<sup>1</sup> extending home longevity and reducing lifetime expenses for low-income residents.

Housing is a fundamental human need, yet affordability remains a challenge in Australia. Recent intergenerational research highlights three primary concerns: climate change, the rising cost of living and affordable housing, and access to quality transport. In Australia every generation cites affordable housing as their top concern, closely followed by sustainable communities. The good news is the research shows many Australians are prepared to live in more diverse communities with social, affordable and public housing.<sup>2</sup>

Architects play a crucial role in shaping high-quality outcomes through design leadership, advisory roles, and the commissioning and design and project management of construction projects. Their expertise ensures that new developments integrate sustainability, liveability, affordability and efficiency from the outset, maximising value for both residents and the broader community. In the delivery of higher-density housing solutions—such as apartments and townhouses—a thoughtful design approach is essential. Maximising liveability within given constraints of floorspace, height, and aspect requires careful consideration of privacy, natural light, ventilation, storage, and shared amenities. These factors play a crucial role in quality of life, public health, and well-being and must be a top priority in Australia's housing strategy.

Housing Australia funding and finance initiatives provides an opportunity to address multiple policy agendas of the Federal Government including:

- Speedier and more productive delivery of needed housing adopting new building techniques and materials such as modular and prefabricated construction<sup>3</sup>
- Improving housing quality, liveability, climate resilience and longevity<sup>4</sup>
- Building low carbon, climate resilient homes consistent with the new National Urban Policy<sup>5</sup>
- Reduce embodied carbon in our built environment to meet Australia's Net Zero 2050 Plan<sup>6</sup>

Under the Housing Australia Investment Mandate Direction 2018<sup>7</sup> new dwellings must only comply with the National Construction Code's (NCC) residential energy efficiency provisions (currently NatHERS<sup>8</sup> 7-Star) and the Livable Housing Design Standards. However other critical NCC minimum provisions, including those which address condensation or the structural reliability of buildings to withstand extreme weather events, are not mandated. Ensuring access to updated design guidelines that sit alongside and is

<sup>1</sup> Liveable Housing Australia (2017) Livable Housing Design Guidelines available at [https://universaldesignaustralia.net.au/wp-content/uploads/2017/08/lhaguidlineseditionno4\\_2017.pdf#text=%E2%80%A2The%20cost%20to%20the,than%20retrofitting%20when%20an%20unplanned](https://universaldesignaustralia.net.au/wp-content/uploads/2017/08/lhaguidlineseditionno4_2017.pdf#text=%E2%80%A2The%20cost%20to%20the,than%20retrofitting%20when%20an%20unplanned)

<sup>2</sup> GHD. (2024, July 15). Crossroads study presents global insights into community sentiment on infrastructure. <https://www.ghd.com/en-au/about-ghd/news/15-07-2024-crossroads-study-presents-global-insights-into-community-sentiment-on-infrastructure>

<sup>3</sup> Also called Modern Methods of Construction (MMC) or Design for Manufacture and Assembly (DfMA).

<sup>4</sup> <https://www.industry.gov.au/news/building-ministers-meeting-communique-june-2024>

<sup>5</sup> National Urban Policy published 29 November 2024 at: <https://www.infrastructure.gov.au/department/media/publications/national-urban-policy>.

<sup>6</sup> See note 2 above

<sup>7</sup> Reference compiled version No. 17 as amended and in force on 15 December 2025 – Sections 28E and 28S. See: <https://www.legislation.gov.au/F2018L00994/latest/downloads>

<sup>8</sup> Nationwide House Energy Rating Scheme

referenced in the Housing Australia Investment Mandate Direction 2018<sup>9</sup>, would enhance the performance of our built environment by providing working examples of how design can elevate liveability, reduce ongoing costs and improve amenity for home occupiers for minimal to no extra costs.

Building on the work of YourHome<sup>10</sup> there is scope to expand with practical case studies including the performance benefits and cost-effectiveness of the different design scenarios for:

- designing and building for future climatic needs and extremes
- housing for dense urban environments
- elevating housing liveability and durability
- designing out embodied carbon including through re-purposing buildings as housing.
- the use of modular /prefabricated construction methods to address our housing needs in an efficient and economically viable way<sup>11</sup>.

**The Institute recommends the Federal Government through its statutory agency, Housing Australia, invests \$1.5 million to establish more comprehensive design criteria for assessing access to Housing Australia financing and/or funds.**

## AN OFFICE OF THE FEDERAL GOVERNMENT ARCHITECT - AMPLIFYING IMPACT FOR BETTER LIVING IN AUSTRALIA

A Federal Government Architect can provide practical and strategic policy advice and direction to the Federal Government and its departments, ensuring that funding and regulatory environments are optimised to deliver better and more affordable living environments for Australians. This role would collaborate with government architects at state and federal levels to embed biodiversity and First Nations approaches into government procurement. The goal is to achieve value-for-money outcomes for Australians while making their lives easier, ensuring that government efforts are more aligned, effective, and impactful.

National Urban and Adaptation Policies need design-led leadership. A Federal Government Architect can identify and amplify dormant opportunities in existing policies, assess business cases for added value, and work to break the gridlock surrounding affordable housing. The position champions sustainable initiatives to combat climate change and drives collaboration across agencies, industries, and communities to achieve tangible results. A national Federal Government Architect would align housing, infrastructure, and environment, ensuring holistic, future-proof solutions. With clear accountability, architecture can drive resilient, connected communities. This is not an additional layer of bureaucracy but a crucial strategic enabler to streamline processes, improves coordination, and drive more effective, future-proof solutions.

By working closely with Federal, State, and Local Government agencies, as well as supporting private business and industry, a Federal Government Architect ensures cutting through red tape to unlock the full potential of Australia's built environment. Existing networks, such as State Government Architect Offices and Local Government City Architects, provide a pre-established, well-funded foundation for accurate data, operational insights, and effective community feedback. This role is inherently

<sup>9</sup> similar to the way the (NDIS) Specialist Disability Accommodation Rules 2021 (SDA Rules) requires enrolled SDA dwellings to apply the NDIS Specialist Disability Accommodation Design Standard

<sup>10</sup> <https://www.yourhome.gov.au/>

<sup>11</sup> The UK Government's Homes England, is regarded as an important accelerator for modular/ prefabricated housing. See: <https://committees.parliament.uk/publications/43073/documents/214242/default/>

amplification-focused, tying together expertise and resources spread across multiple ministries—including Treasury, Finance, Housing, Education, Transport, Health, Defence, Indigenous Affairs, and the Productivity Commission.

By fostering collaboration across sectors, advocating for best-practice design, and aligning infrastructure investment with national priorities, the Federal Government Architect would help shape an Australia that is resilient, sustainable, and globally competitive.

The FGA would be tasked with the following:

- Assisting the Minister for Cities in the implementation of the NUP;
- Providing strategic advice on urban planning, design quality, and the integration of buildings with the public realm to ensure best value and societal outcomes for taxpayers and the community
- Publishing /endorsing design guides, best practice guides, and other built design related material; ensure best value from funding programs such as the Housing Australia Future Fund and the Thriving Suburbs program
- Establishing cross-jurisdictional forums with state and territory government architects
- Assisting relevant Ministers to identify key projects requiring Federal Government funding
- Establishing guidelines for Design Review Panels funded by the Federal Government.

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**The Institute recommends the Federal Government provides \$3 million funding over four years for the establishment of an Australian Government Architect, to support best value and societal outcomes in urban planning across the range of government funded infrastructure.**

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## ENHANCE THE SUCCESS OF INFRASTRUCTURE INVESTMENT AND THE NATIONAL URBAN PLAN BY LEADING WITH CLIMATE-RESILIENT, INCLUSIVE, HEALTHY URBAN DESIGN

For success, Australia's National Urban Policy must be shaped by meaningful collaboration between policymakers, planners, communities and researchers, drawing on global successes to ensure long-term impact. Only then can the government achieve its ambitious vision.

The Policy can be strengthened by establishing dedicated, long-term funding mechanisms that translate strategic goals into actionable outcomes. While the Policy effectively outlines national priorities—such as improving housing affordability, enhancing transport connectivity, and addressing climate resilience—its success ultimately depends on financial certainty and implementation capacity. Consistent and predictable funding would enable state and local governments to invest in integrated infrastructure projects, innovative urban design, and green transition initiatives without dependence on ad hoc or competitive grants. Dedicated funding streams enhance transparency and accountability by linking expenditure directly to measurable national urban outcomes.

As noted by Infrastructure Partnerships Australia<sup>12</sup> the infrastructure budget across the nation is 14.6 per cent of total governments' expenditure. While not all of this is spent in urban settings or cities, there is a clear role for the National Urban Policy to provide oversight and consistency, best supported by robust

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<sup>12</sup> <https://infrastructure.org.au/policy-research/major-reports/australian-infrastructure-budget-monitor-2025-26/>

leadership and resourcing to ensure the desired outcomes. A modest commitment to deliver on the outcomes of the policy could bring significant return across all infrastructure expenditure.

**The Institute recommends the Federal Government ensure funding is maintained to support the implementation of the National Urban Policy, with \$12 million funding per year over four years to support policy oversight and suburb level project delivery, amplifying the impact of government investment to make communities more liveable, affordable and sustainable.**

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