Australian Institute of Architects

# INQUIRY INTO SOCIAL HOUSING

Senate Economics References Committee

**ROYAL AUSTRALIAN INSTITUTE OF ARCHITECTS**

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## ABOUT THE INSTITUTE

The Royal 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 13,500 members across Australia and overseas.

The Institute exists to advance the interests of members, support professional standards and contemporary practice, 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 David Wagner FRAIA. Hon. AIA
+ The Chief Executive Officer is Cameron Bruhn Hon. FRAIA.

## CONTACT DETAILS

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The Royal 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.

# SENATE ECONOMICS REFERENCES COMMITTEE: INQUIRY INTO SOCIAL HOUSING

## Executive Summary

The Institute welcomes the Senate Economics References Committee inquiry into social housing.

Australia needs sustained investment in social housing as essential national infrastructure. Social housing should provide safe, dignified and enduring homes that support health, wellbeing, participation and connection to community.

At June 2025, Australia had around 452,000 social housing dwellings, representing approximately 4.0% of Australian households, down from 4.7% in 2013. This trend supports the case for a measurable, future-focused national social housing target and a long-term investment pipeline.

Increasing supply is essential. However, supply alone will not resolve housing need. Existing stock also requires attention. Avoidable vacancies, delays in re-letting, maintenance backlogs and underutilised housing reduce the effectiveness of current investment. AIHW data indicates that approximately 15% of social housing households live in underutilised dwellings, highlighting opportunities to improve utilisation while supporting ageing in place and resident choice.

The Institute supports a build-to-save approach that assesses housing investment on whole-of-life public value rather than lowest initial cost.

Social housing residents should have the same access as other Australians to homes that are healthy, safe, affordable to live in and connected to opportunity. Location, accessibility, design quality, climate resilience and long-term performance directly influence these outcomes.

The Institute's central position is that housing supply, design quality and effective delivery must be pursued together. Early decisions about procurement, site selection, infrastructure, building performance, climate response and construction methods shape both resident outcomes and the long-term value of public investment.

A predictable social housing pipeline can also strengthen manufacturing and construction capability, support innovation and improve productivity across the housing sector.

The Institute recommends that the Committee consider the following measures:

1. Recognise social housing as essential national infrastructure
2. Establish a measurable national social housing target
3. Commit to a long-term social housing pipeline
4. Optimise existing social housing assets
5. Embed design quality and whole-of-life performance
6. Deliver well-located and connected social housing
7. Improve climate resilience and future affordability
8. Support innovation and Modern Methods of Construction
9. Improve governance, evaluation and capability
10. Support place-responsive and Aboriginal-led housing delivery

## Response to the Terms of Reference

### (a) Economic and social benefits of investment in social housing

Social housing delivers benefits that extend well beyond the provision of shelter. A secure and affordable home provides the foundation for participation in education, employment, family life and community activities. Investment in social housing can reduce homelessness, improve housing security and reduce pressure on crisis accommodation and other public services.

These benefits are particularly significant for households experiencing vulnerability, including older Australians, people with disability, families experiencing family violence and people experiencing chronic housing stress.

The economic and social value of social housing is strengthened when homes are well located, resilient and designed to perform over the long term. Housing security can be undermined by exposure to extreme heat, flooding, bushfire risk, poor building performance or limited access to essential services and public infrastructure.

Well-designed social housing can improve health and wellbeing, support ageing in place and help residents remain connected to their communities. Locating social housing within established communities can also improve access to employment, education, healthcare and transport while reducing reliance on costly infrastructure expansion.

Social housing should therefore be assessed not only by the number of dwellings delivered, but by its contribution to healthier communities, economic participation and long-term public value. Investment in design quality, location and building performance can reduce future maintenance liabilities, lower operating costs and improve resident outcomes over the life of the asset.

**(b) Historical levels of investment and decline in public housing**

Australia has experienced a sustained decline in social housing as a proportion of total housing stock. As at June 2025, social housing represented approximately 4.0% of Australian households, compared to 4.7% in 2013.

This decline has occurred despite population growth, rising housing costs and increasing demand for housing assistance. It reflects not only a shortfall in investment, but a long-term policy approach that has often treated housing primarily as a welfare expenditure rather than essential economic and social infrastructure.

The result has been a decline in social housing supply relative to demand, growing waiting lists and increasing pressure across the broader housing system.

The experience of recent decades demonstrates that demand for social housing cannot be addressed through intermittent funding programs alone. Long-term investment certainty is needed to increase supply, maintain existing assets and support industry capability.

The Institute supports a build-to-save approach. Social housing should be viewed as a preventative investment that reduces costs elsewhere in government, including homelessness services, health systems, crisis accommodation and other support services. The long-term costs of underinvestment can exceed the upfront costs of providing and maintaining housing.

A sustained social housing pipeline can also support workforce capability, manufacturing investment and innovation in housing delivery. This creates opportunities to improve productivity and reduce whole-of-life costs while maintaining standards of quality, accessibility and sustainability.

**(c) The case for a national social housing target**

The Institute supports the establishment of a measurable, future-focused national social housing target.

A national target would improve accountability, strengthen coordination between governments and provide greater certainty for housing providers, industry and communities. It would also help align investment decisions with assessed housing need rather than short-term funding cycles.

Any target should be informed by current and projected housing need, population growth and demographic change rather than historical stock levels alone. It should distinguish between public housing, community housing and First Nations housing, include transparent interim milestones and report completed and occupied homes rather than funded projects alone.

The Institute has not nominated a specific target in this submission. Determining an appropriate benchmark requires detailed modelling and consultation with governments, housing providers, First Nations organisations and people with lived experience.

However, the continuing decline in social housing's share of the national housing system strongly supports the need for a nationally agreed target linked to future demand.

**(d) Impact of current Commonwealth and state investment**

Recent Commonwealth initiatives, including the Housing Australia Future Fund and the Social Housing Accelerator, represent important investments in social housing delivery and demonstrate renewed recognition of social housing as a national priority.

While welcome, current investment should be assessed against the scale of existing and projected need. Significant pressures remain across the housing system, including housing stress, homelessness and waiting lists for social housing.

Existing programs provide an important foundation for delivery but are unlikely to close the accumulated supply gap on their own. The challenge is not only the level of investment, but also the continuity, coordination and predictability of funding.

Feedback from the sector suggests that smaller providers and regional projects can face barriers in accessing funding programs where scale requirements favour larger projects. Periodic funding rounds can also create uncertainty between allocations, reducing pipeline visibility and limiting opportunities for workforce and manufacturing investment.

The effectiveness of current investment would be strengthened through long-term funding certainty, improved housing pipeline data, better integration of housing and infrastructure planning, and greater focus on completed housing and resident outcomes.

The Committee should view current programs as an important beginning rather than a complete solution.

**(e) Modern methods of design and construction**

Modern Methods of Construction (MMC), including prefabrication, modular construction and design for manufacture and assembly, have the potential to improve delivery certainty, increase manufacturing capability and support productivity improvements in housing delivery.

However, MMC should be viewed as a delivery method rather than a policy objective. Its success depends on project type, scale, location, market maturity and the suitability of the system being used.

The Institute's view is that MMC should be assessed on outcomes rather than assumptions. The relevant question is not whether a building is delivered through conventional or off-site construction, but whether it produces high-quality, durable and affordable homes that support resident wellbeing.

Projects using MMC must still respond to local climate conditions, accessibility requirements, community expectations, planning requirements and long-term building performance. Successful projects require appropriate design resolution and coordination across planning, design, manufacture, transport, installation and long-term asset management. Construction methods alone cannot compensate for poor location, inadequate amenity or weak design outcomes.

The Committee should encourage robust evaluation of MMC projects, including delivery performance, building performance, defects, resident outcomes and whole-of-life costs. A stronger evidence base would support more informed decisions about where MMC can contribute most effectively to future social housing delivery.

**(f) Benefits of a steady social housing pipeline**

A predictable and long-term social housing pipeline provides benefits beyond housing supply itself.

Investment certainty enables housing providers, builders, manufacturers and consultants to retain skilled workforces, invest in innovation and improve delivery systems over time. It also supports more efficient procurement, stronger supply chains and greater confidence to invest in manufacturing capability.

Short-term funding cycles can undermine these benefits by creating periods of expansion and contraction that erode capability and increase delivery risk. By contrast, a sustained pipeline supports workforce development, innovation and continuous improvement.

Importantly, a long-term pipeline should support capability while still responding to local conditions and community needs. The objective is not standardisation for its own sake, but the development of more efficient and resilient delivery systems that improve housing outcomes over time.

A predictable pipeline can therefore contribute simultaneously to housing supply, industry capability and national productivity.

**(g) Opportunities for further investment**

Addressing Australia's social housing shortfall will require a combination of funding mechanisms and delivery approaches.

Direct public investment remains essential because social housing serves households whose needs are unlikely to be met through market-based housing alone. Partnerships with community housing providers, institutional investors, philanthropy and not-for-profit organisations may also play an important supporting role.

Further investment should not focus exclusively on new construction. Existing assets should also be assessed for opportunities to retain, repair, retrofit, adapt and intensify existing housing sites where appropriate.

Adaptive reuse, infill development and strategic renewal can contribute additional housing supply while preserving embodied value and maintaining community connections.

The location of housing is also critical. Well-located housing close to employment, education, healthcare, transport and community infrastructure delivers broader social and economic benefits than housing supply alone. Investment should therefore support complete and connected communities rather than isolated housing projects.

**(h) Governance and administration**

Effective social housing delivery requires governance arrangements that support long-term planning, clear accountability, coordinated investment and transparent reporting of outcomes.

Success should be measured not only through dwelling numbers, but through indicators such as accessibility, location, resident outcomes, building performance and long-term value.

Housing outcomes are shaped by decisions made throughout the project lifecycle, including site selection, planning, procurement, design, delivery and ongoing asset management. For this reason, housing policy and program delivery benefit from multidisciplinary expertise and effective coordination between housing, infrastructure and land-use planning.

The Institute supports governance approaches that protect long-term project outcomes, improve accountability and strengthen evaluation of completed projects.

**(i) Efficacy of rent-to-buy schemes**

The Institute does not take a position on the financial structure of rent-to-buy schemes. Its expertise relates primarily to housing quality, design, delivery and long-term performance rather than housing finance.

Regardless of tenure model, housing should be safe, durable, accessible, sustainable and affordable to occupy over its lifetime.

The Committee should therefore assess rent-to-buy schemes against a broader set of outcomes than ownership rates alone. Consideration should include housing quality, location, building performance, resident wellbeing, access to services and long-term housing security.

The success of any housing model ultimately depends not only on who owns the dwelling, but on whether it delivers enduring housing and community outcomes.

**(j) Other related matters**

A significant emerging issue is the effectiveness of Australia's existing social housing portfolio.

While increasing supply remains essential, opportunities also exist to improve the utilisation and performance of existing assets. Approximately 15% of social housing households currently occupy underutilised dwellings, highlighting the importance of housing mobility programs, portfolio optimisation and housing options that support ageing in place.

The Committee should also consider the role of maintenance, renewal and post-occupancy evaluation in improving long-term public value. Greater emphasis on completed housing performance and resident outcomes would strengthen accountability and inform future investment decisions.

Finally, housing and infrastructure should be considered together. The success of social housing depends not only on the dwelling itself, but on access to transport, employment, healthcare, education, open space and community services. Well-located housing can deliver benefits that extend beyond the housing system and contribute to stronger community outcomes.

## First Nations housing requires Aboriginal-led and place-responsive approaches

Aboriginal and Torres Strait Islander housing need remains significant. AHURI estimates that around 45,700 low-income Aboriginal and Torres Strait Islander households experienced unmet housing need in 2021, representing approximately one in eight households and around double the rate for all Australian households.

Aboriginal and Torres Strait Islander housing should be planned and delivered through genuine partnership with Aboriginal and Torres Strait Islander peoples and community-controlled organisations. Aboriginal-led involvement should begin before sites, briefs, dwelling types and delivery approaches are determined.

Research on Aboriginal-led housing demonstrates that community co-design and co-build approaches can support social and emotional wellbeing, participation and local capability.

Housing design should respond to:

- Country and culture
- household and kinship structures
- climate and environmental conditions
- cultural obligations and patterns of use
- community safety and wellbeing
- local construction and maintenance capability
- employment, training and enterprise opportunities

These considerations are also central to long-term housing performance. A Healthabitat study found that 26% of maintenance costs in remote Indigenous housing were attributable to faulty construction, demonstrating the long-term consequences of poor quality housing delivery.

Housing that responds to climate, culture, household composition and patterns of use is more likely to remain suitable, durable and maintainable over time.

Commonwealth-supported First Nations housing should therefore embed Aboriginal-led governance, meaningful community participation, appropriate technical expertise and evaluation of completed housing outcomes.

## Recommendations

The Institute recommends that the Committee consider the following measures to strengthen social housing outcomes and support the long-term effectiveness of public investment.

1. **Recognise social housing as essential national infrastructure**

   Adopt a build-to-save approach that assesses social housing investment against long-term economic and social outcomes, including housing security, health, wellbeing, workforce participation and reduced pressure on other public systems.

2. **Establish a measurable national social housing target**

   Increase social housing's share of the housing system through a target linked to assessed need, population growth and regional demand, supported by transparent reporting of completed and occupied homes.

3. **Commit to a long-term social housing pipeline**

   Provide a rolling investment pipeline that supports housing supply, workforce capability, manufacturing investment, innovation and continuous delivery.

4. **Optimise existing social housing assets**

   Establish a national renewal and optimisation framework that addresses avoidable vacancies, re-letting delays, maintenance backlogs, housing mobility, retrofit, adaptive reuse and infill opportunities before demolition and replacement are considered.

5. **Embed design quality and whole-of-life performance**

   Require Commonwealth-supported housing to deliver high standards of amenity, accessibility, energy performance, climate resilience and long-term building performance, recognising that housing quality and housing supply should be pursued together.

6. **Deliver well-located and connected social housing**

   Prioritise social housing in locations with access to employment, education, healthcare, transport, open space and community infrastructure, and coordinate housing investment with infrastructure planning.

7. **Improve climate resilience and future affordability**

   Require assessment of climate and natural hazard risks in housing investment decisions and support upgrades that improve resilience, reduce energy costs and strengthen long-term affordability.

8. **Support innovation and Modern Methods of Construction**

Use social housing investment to build manufacturing and construction capability while evaluating projects against delivery outcomes, building performance, resident outcomes and whole-of-life value to strengthen the evidence base for future investment decisions.

9. **Improve governance, procurement, evaluation and capability**

Measure success through completed housing, resident outcomes and building performance, and ensure housing policy and program delivery draw on appropriate housing, built environment and lived-experience expertise.

10. **Support place-responsive and Aboriginal-led housing delivery**

Embed Aboriginal-led governance, meaningful community participation and culturally responsive design in First Nations housing programs.

## Conclusion

Australia needs a sustained increase in social housing supply supported by long-term investment, effective delivery systems and better use of existing assets.

Social housing should be recognised as essential national infrastructure. Its value extends beyond housing provision to health, wellbeing, workforce participation, community resilience and reduced pressure on other public systems. A build-to-save approach recognises that investment in well-designed, durable and appropriately located housing can deliver long-term social and economic returns.

The Institute supports a measurable national social housing target, a long-term delivery pipeline and a renewed focus on housing quality, building performance and resident outcomes. Increasing supply remains urgent, but housing should be assessed not only by the number of dwellings delivered, but by whether those homes remain safe, suitable, affordable to live in and connected to community over time.

The Committee's consideration of housing supply, Modern Methods of Construction, governance and long-term investment provides an opportunity to improve both housing delivery and housing outcomes. Doing so will require coordinated investment, evidence-based decision making and a commitment to whole-of-life value.

The Institute and its members have extensive experience delivering social and affordable housing, First Nations housing, adaptive reuse and housing innovation projects across Australia and would welcome the opportunity to provide further evidence to the Committee.

## Appendix A: Illustrative Examples of Social Housing

### Mari-Mari-Ba

Location: Eight Mile Plains, Queensland, Yuggera and Turrbal people
Architect: Deicke Richards

Mari-Mari-Ba provides housing and integrated support facilities for First Nations women and children. Developed through extensive engagement with local Elders, community organisations and service providers, the project demonstrates how Aboriginal-led and culturally responsive design can support safety, wellbeing and community connection. Communal gathering spaces, connections to Country and flexible housing arrangements respond directly to community needs.

Mari-Mari-Ba – Aboriginal-led example | Deicke Richards | Photographer: Christopher Frederick Jones

### Union Social Housing

Location: Melbourne, Victoria, Wurundjeri Woiwurrung Country
Architect: atelier wagner

Union Social Housing demonstrates how renewal and refurbishment can improve housing quality and performance within established communities. Rather than replacing the housing stock, the project upgraded existing homes while retaining residents' access to services, employment, public transport and community connections. It illustrates how investment in existing assets can extend building life, improve resident outcomes and deliver social, environmental and economic value as part of a broader housing renewal strategy.

union social housing | atelier wagner | Photographer: Peter Bennetts

**Waterloo Metro Quarter Social Housing**
Location: Waterloo, New South Wales, Gadigal Country
Architect: Bates Smart

Waterloo Metro Quarter demonstrates how social housing can be integrated into major urban renewal and transport projects. Located close to public transport, employment and services, it illustrates the importance of well-located housing in supporting access, participation and long-term resident outcomes. The project shows that housing supply, design quality and connected communities can be pursued together.

Waterloo Metro Quarter – Social Housing | Bates Smart | Photographer: Felix Mooneeram

**Redcliffe Social Housing (Solstice)**

Location: Redcliffe, Queensland, Gubbi Gubbi (Kabi Kabi) and Ningy Ningy peoples Architect: Arkhefield

Redcliffe Social Housing (Solstice) demonstrates how social housing can respond to the needs of an ageing population. The project provides 82 homes for residents aged over 55, including older women and downsizers seeking long-term housing security. Shared facilities, community spaces and accessible housing support social connection, independence and ageing in place. The project illustrates how social housing can improve resident wellbeing while providing stable, long-term homes within an established community.

Redcliffe Social Housing (Solstice) | Arkhefield | Photographer: Graham Philip