Initiative 5: Affordable, sustainable housing
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What is the issue?
The quality of life of life for Australians is deeply defined by the quality of their homes. In many cities and communities, the lack of affordable and quality housing is impacting on the way we live and work, with poor access to employment, critical infrastructure and services leading to social disadvantage. Yet despite the serious consequences of declining housing affordability, rising homelessness and the deterioration of existing, lower-quality housing stock, Australia does not have a coherent national housing strategy to address these issues and provide oversight of housing supply and affordability.

What is the opportunity?
In Australia, more than 200,000 homes are built every year. This growth, combined with existing stock, means that the right housing policies can be a powerful lever to improve our living standards and help create healthier, more resilient places for people. Housing policy influences the connectivity and proximity of housing to other land uses, including transport, employment and community services. It is also a significant contributor to economic activity, being responsible for many thousands of jobs. As such, housing policy goes beyond individual housing issues and links to the sustainable functioning of cities and regions – impacting related issues such as transport and movement, infrastructure, health, well-being, quality of life and spatial inequality.

Why is it important for industry?
Whilst poor affordability and quality of housing in Australia can be attributed to a range of supply and demand factors, there is broad recognition that overcoming these issues requires the support and mobilisation of Australia’s property and construction sector. The Australian building industry is a world leader in delivering great places for people, and has demonstrated that it can produce a variety of housing products that are affordable and meet the needs of the market for both home owners and renters. In establishing the necessary measures to ensure more affordable and better quality housing, the Federal Government must work in partnership with industry to deliver the necessary policy reform.

Why is it important for communities?
Quality housing is central to the health, productivity and social sustainability of our communities. It determines our standard of living, and impacts on education and employment opportunities as well as our ability to participate in the community. The lack of affordable and adequate housing leads to housing stress that can impact on the mental and physical health of individuals and families, and its consequences are particularly acute for low and increasingly middle-income households.

What do we want to see?
The GBCA’s vision for healthier, resilient and positive places for people, is all about supporting better cities, suburbs and communities, and within these, great homes. Ours is a vision that depends on industry and government working in partnership to lead, innovate and collaborate for a better future for all Australians. This includes delivering great homes for the future: homes that respond and overcome the challenges we face today, and that we know lie ahead.
5.1 A vision for housing

The GBCA believes Australia needs a clear, unified vision for housing. Affordable and sustainable living should be key outcomes of a national housing policy that promotes diverse housing types to cater for needs at all stages of life, and encourage density in the right places with improved access to jobs and services. Based on recommendations developed by the Australian Sustainable Built Environment Council (ASBEC), we believe Australia’s housing vision should include measures to:

- Reform land use planning and processes to provide for a diversity of housing needs and ensure alignment with Australia’s long term population growth. The Federal Government should work with states and territories on an incentive based model that seeks to improve housing outcomes by using best practice planning, zoning and infrastructure provision.

- Support the delivery of community infrastructure to enable settlement and link residential concentrations with jobs and services. This involves delivering more housing in places that are accessible, as well as integrating housing into the broader urban fabric.

- Reduce the whole of life costs of new housing through sustainable development and innovation. The GBCA supports the adoption of an industry agreed trajectory for energy performance standards in the National Construction Code, and notes other areas for further investigation, such as minimum performance standards covering thermal comfort, water efficiency, and water and other sustainability issues as well as performance standards for rental properties and existing residential buildings. Best practice design principles should be adopted to enhance the sustainability and resilience of new buildings, and governments should work with industry and the community to build skills and capacity as well as public awareness.

- Promote best practice building and urban design, by having regard to the principles of the National Urban Design Protocol.

- Undertake effective engagement to help understand community needs and highlight the importance and benefits of housing supply diversity and density.

Recommendation

Develop a national housing strategy that promotes affordable and sustainable housing supply to meet existing and forecast demand. The strategy should have regard to challenges around planning for housing diversity and supply, funding and delivering infrastructure, sustainability and innovation, and effective community engagement.

5.2 Reducing whole of life costs for social housing

Australia has some of the least affordable housing markets in the world, and rising housing costs have become a significant pressure point for vulnerable Australians. Demand for social housing is growing at the same time that existing stock is rapidly aging, adding to rising expenses for tenants and compromising the health of our communities.

Given that housing affordability is not limited to upfront housing cost, but includes the ongoing operational costs of living expenses and utilities, it makes sense that more sustainable, efficient and productive housing means greater affordability. However, the absence of a nationally consistent rating standards for homes means that sustainability and whole of life costs are not always factored adequately into the design and construction of social housing by governments. The effects of this can be acute for low income households who are particularly vulnerable to higher energy prices. As a proportion of their disposable income, low-income households can spend up to five times more as a share of their disposable income on electricity than higher-income earners.

The Australian Government has the opportunity to encourage best practice design and construction in social housing through investing in market leading energy efficient projects. In 2017, the Clean Energy Finance Corporation, provided financing to enable the construction of 300 new energy efficient social and affordable housing units built to an average 7-star National Housing Energy Rating System, through the community housing provider SGCH. Going forward, there is potential for CEFC finance to support even more high performing homes in the social and affordable housing space. Projects financed by CEFC should commit to achieving and requiring best practice buildings and urban design supported by third party verification, wherever practical. The GBCA, through our Future Homes project is exploring the development of
Recommendation

Recommendation: Encourage best practice design and construction in social housing by providing finance for market leading energy efficient projects through the CEFC.

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27Australian Competition and Consumer Commission (ACCC), Retail Electricity Pricing Inquiry – Preliminary Report, 2017, pp.14,
28GBCA, Future Homes, 2018