2021-22 PRE-BUDGET SUBMISSION

Australian Government Department of the Treasury
prebudgetsubs@treasury.gov.au

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2021-22 Pre-Budget Submission
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 around 12,000 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.

PURPOSE

- This submission is made by the Australian Institute of Architects (the Institute) to provide comment on matters affecting the 2021-22 budget of the Australian Government.
- At the time of this submission the National/Chapter President is Alice Hampson FRAIA.
- The Chief Executive Officer is Julia Cambage.

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SUMMARY OF RECOMMENDATIONS

The Australian Institute of Architects and its members are dedicated to raising the quality of the built environment for people and to the advancement of architecture. We seek to improve the enduring health and wellbeing of all Australians and our diverse communities. The design of the built environment shapes the places where we live, work and meet. The quality of the design affects how spaces and places function and has the potential to stimulate the economy and enhance the environment. Good design adds value.

Australian architects have a worldwide reputation for innovative design leadership and our profession is well placed to support the Federal Government through advising on ways to address key challenges that we are facing in our towns and cities.

Primary issues include climate change, housing affordability, equitable access to community services, an ageing demographic, increasing demand for efficient transport systems, and the need for more community and public infrastructure to support a growing population. These are urgent issues, requiring sophisticated solutions. The planning and design of cities and towns to address these challenges will significantly impact the shape of Australia’s built environment, requiring federal government commitment to a high quality, sustainable legacy for future generations.

This past twelve months has presented the global challenge of the Covid-19 pandemic which has had different impacts across the globe and between cities and regions across Australia. It has also seen the delivery of a Royal Commission into National Natural Disaster Arrangements.

To face these challenges and the lessons learnt, the government will require built environment expertise and strategic planning to support its development of effective policy and project solutions. It is critical to foster the unique capability of our built environment professionals and their capacity to bring innovation and know-how to government’s work.

The Institute identifies eight key themes for outcomes the Australian Government should address in building affordable, equitable, amenable and sustainable places that contribute to the wellbeing of Australian communities and our economy. These are:

- Theme 1 - Managing change and fostering thriving cities and regions
- Theme 2 - Ensuring good design
- Theme 3 - Procurement of architectural services
- Theme 4 - Climate change and community resilience
- Theme 5 - Housing a diverse and inclusive community
- Theme 6 - Improving building quality through re-regulation
- Theme 7 - Strengthening National Heritage
- Theme 8 - Covid-19 Adaptation and Economic Recovery
### Our recommendations

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**Recommendation 3.3** To ensure that government is an informed client and that the opportunities afforded by a competition approach to the provision of civic space and public buildings can be fully realised, the Australian Government references and advises use of the Australian Institute of Architects’ Architectural Competitions Policy as adjunct information to the Commonwealth Procurement Rules or as a condition of funding for projects involving competitive design processes where Commonwealth funding is being used.

**Recommendation 3.4** The Australian government ensures that Australian architects are shortlisted in competitive design and tender processes for its own publicly funded projects, or as a condition of funding for projects involving competitive design processes where Commonwealth funding is being used.

**Recommendation 3.5** That the Australian Government departments and agencies negotiate the terms of liability and indemnification in procurement and other funding contracts with successful tenderers for Architectural services on the basis of ensuring a balanced approach that promotes good design, safety and quality outcomes.

**Theme 4**
**Climate change and community resilience**

**Recommendation 4.1** The current regulatory system lacks a strong base of relevant data, a capacity to be agile and follows an outdated approach of implementing extremely slow-moving reforms only after a disaster has taken place. With oversight from the Building Ministers’ Meeting, the Australian Building Codes Board and Standards Australia must be adequately resourced to implement the recommendations from the Royal Commission into National Natural Disaster Arrangements as a highest priority.

**Recommendation 4.2** The Australian Government establishes a national plan towards zero carbon buildings by 2030 that can be supported and led where appropriate by state and local government.

**Recommendation 4.3** Strong mandatory minimum standards must be set for the energy performance of buildings and appliances and energy efficiency programs must be adapted for existing and new buildings. More stringent energy standards must be included in the National Construction Code. To this end, the Institute asks for increased funding for the Australian Building Codes Board to accelerate its work on energy efficiency provisions for residential and commercial building stock as part of NCC 2022.
### Recommendation 4.4
The Building Ministers’ meeting of the National Cabinet creates an additional requirement for building reform such that each State and Territory will legislate for post-construction audits to measure as-built environmental performance. To aid the achievement of this outcome we recommend that the Building Ministers’ meeting establishes a working group to establish a set of national minimum requirements for the legislation.

### Recommendation 4.5
Establish a coordinated framework for all incentives for the Australian households and the private sector to implement climate change mitigation and adaptation strategies in the built environment by:

- conducting a review of incentives funded by the Australian, States and Territories and local governments including their type, amounts, eligibility and use, and
- developing a national dataset of the energy rating for all active (occupied/ in-use) residential, retail, commercial /community /public building stock and the implementation of sustainability solutions such as reglazing, insulation, shading, solar electricity and solar hot water undertaken through a national registration system linked to incentives.

### Recommendation 4.6
All new City Deals or Smart Cities partnerships and funding agreements must be linked, at the outset, to the achievement of outcomes that enhance sustainability and liveability as measured by a minimum of two sustainability indicators and two liveability indicators from the National Cities Performance Framework.

### Recommendation 4.7
The Australia Government asks the Building Ministers’ Meeting to commission a working group to develop a minimum brief for Architecture Services procurement by the Australian Government that includes implementation of climate change mitigation and adaptation strategies in the built environment. The use of this brief should also be extended as a condition of all Australian Government funded projects that involve architectural services.

### Recommendation 5.1
Extend National Housing Finance and Investment Corporation (NHFIC) low cost loans to a broad range of purpose-based not-for-profit and charitable entities with available land to build low cost rental housing for adults who are at risk of homelessness using No Interest Loans (NILS) or direct grants where the organisation is contributing freehold land.
**Recommendation 5.2** Release federally owned land in suitable locations to enable the development sector to partner with the Australian Government in the delivery of new social and affordable housing.

**Recommendation 5.3** National Housing Finance and Investment Corporation (NHFIC) to investigate the Nightingale approach as a way to extend its investment to one of co-investing with potential owner-residents.

**Recommendation 5.4** The Australian Government procures architect teams to work with remote Aboriginal and /or Torres Strait Islander communities to develop sustainable co-design housing responses for families and communities.

**Recommendation 5.5** Publish performance of National Housing and Homelessness Agreements (NHHA) against clear numeric and per-capita targets for social and affordable housing dwelling stock including sub-targets for different housing types and needs. To improve transparency and accountability, ensure each State and Territory’s Agreement identifies the specific Commonwealth vs State/Territory contribution towards the cost of acquiring land and building dwellings that are specified in their NHHA with the Australian Government.

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<td>Ensure states and territories implement all of the recommendations of the Building Confidence report within its recommended three year implementation timetable.</td>
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<td><strong>Recommendation 6.2</strong></td>
<td>The Building Ministers’ Meeting to address Recommendation 21 of the Building Confidence report by undertaking an investigation into the options to establish a compulsory product certification system for high-risk building products including regulatory mechanisms such as the Queensland Chain of Responsibility legislative model.</td>
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<td><strong>Recommendation 6.3</strong></td>
<td>Elevate the status of the Building Ministers’ Meeting to that of a regular, ongoing meeting, reviewed every 2 years by National Cabinet.</td>
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<td><strong>Recommendation 6.4</strong></td>
<td>Following the review of the Disability (Access to Premises – Buildings) Standards 2010, investigate the options for subsidy or incentive programs to enable all public and certain classes of private buildings to be retrofitted to meet the revised standards.</td>
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### Theme 7
**Strengthening National Heritage**

**Recommendation 7.1** The powers and obligations granted to the Minister of Environment through sections 341L and 341M of the Environment Protection and Biodiversity Act 1999 must be subject to a Parliamentary Inquiry. The redevelopment of the Australian War Memorial should be halted until the findings of the inquiry have been considered.

**Recommendation 7.2** Amend the Environment Protection and Biodiversity Act 1999 to require a public inquiry to remove all or any substantial part of a Commonwealth Heritage Listed place, building, monument or other structure from the listing as a heritage safeguard.

**Recommendation 7.3** Removal of all or any substantial part of a Commonwealth Heritage Listed place, building, monument or other structure is referred to the Australian Heritage Council for consideration and recommendation to the Minister on an appropriate course of action. The Environment Protection and Biodiversity Act 1999 must be amended to reflect this.

### Theme 8 - Covid-19 Adaptation and Economic Recovery

**Recommendation 8.1** The Australian Government to fund an initiative of similar scope to the Department of Education Skills and Employment’s Apprentices and Traineeships $28,000 per annum wages subsidy paid to Apprentices and Trainees employers for Architecture practices who employ Australia’s 1,300 Architecture graduates each year. Pay the subsidy for a period of 2 years per graduate to ensure that the major part of the cohort of 2020 graduates is not lost to the Australian design and construction industry.

**Recommendation 8.2** The Australian Government commissions studies of adaptive re-use of buildings and precincts within Australia’s major cities including master planning and design and construction consideration requirements in order to re-purpose commercial buildings, for uses such as residential accommodation, small scale creative and fabrication businesses or community infrastructure.
1 INTRODUCTION

The Australian Institute of Architects (the Institute) is the peak body for the architectural profession in Australia, representing around 12,000 members. The Institute works to improve our built environment by promoting quality, responsible, sustainable design. Architecture influences all aspects of the built environment and brings together the arts, environmental awareness, sciences and technology.

By combining creative design with technical knowledge, architects create the physical environment in which people live, which in turn, influences quality of life. Through its members, the Institute plays a major role in shaping Australia’s future.

Architects are a key component of Australia’s $100 billion built environment sector and there are around 13,500 architectural businesses in Australia with around 40,000 employees. Approximately 25,000 people in the labour force hold architectural qualifications (Bachelor degree or higher) and architectural services in Australia in 2017-18 had revenue of $6.1 billion and generated $1.1 billion of profit.

Australian architects have a worldwide reputation for creative and innovative design leadership and Australia is known for producing contemporary and breakthrough architecture. We have a well-recognised, high quality and liveable built environment. To maintain this into the future and support our burgeoning population in both urban and regional centres, we must create buildings and public spaces that are environmentally, economically and socially sustainable and culturally rich.

The Institute therefore welcomes the opportunity to make a pre-budget submission.

2 KEY THEMES AND DETAILED PRIORITIES FOR 2021

2.1 Theme 1 – Managing change and fostering thriving cities and regions.

Governments and industry in Australia must deliver places for communities that are built and connected in a way that enhances liveability, wellbeing, sustainability and productivity.

The Institute recognises that governments are challenged to control or mitigate the impacts of issues that are shaping Australian society. These issues include the impacts of the global economy, technological change, demographic pressure, social change, overseas civil unrest and conflicts, international relations, natural disasters, climate change and the use and availability of natural resources.

No better example demonstrates this than the experience, over the last twelve months since early 2021, of the Covid-19 global pandemic. Covid-19 has also demonstrated how quickly a single event can change everyone’s life on the planet. However, Covid-19 has also shown that different governments making different decisions, both within and outside Australia, have the ability to mitigate the risks presented by emerging, happening or recently occurred situations at hand.

In this environment, government has a key role to play in setting the right political and
policy environment to support Australians to adapt and thrive. All governments must work together to deliver high quality health, education, community and infrastructure services, and there exists a particular challenge to maximise outcomes and ensure the effective and efficient delivery of services across Australia. If not done well, there will be ongoing negative impacts on the wellbeing of citizens. The capacity of Australians to keep pace with the accelerating speed of change and respond flexibly to challenges will also be significantly undermined.

The overlap between tiers of government and their roles, responsibilities and related activities needs to be coordinated as efficiently and effectively as possible. Empowering Australia to be dynamic and resilient in the face of change, will allow Australia to thrive, despite uncertainty, and will be the most effective way to develop successful pathways forward.

National leadership and support and effective local decision-making and participation are not mutually exclusive. They are both needed to achieve good outcomes.

The Australian Government has heavily vested itself in the Cities Deals and Smart Cities and Suburbs programs. There are emerging examples of success stories. However as one recent mainstream media example demonstrates, the Cities Deal program of the past years requires a firm evidence base from a soon to be completed review to gain a better understanding of the benefits, risks, gaps and areas for improvement. The Australian Housing and Urban Research Institute’s research highlights the absence of a consistent approach, different levels of resolution and unevenly weighted consideration of important areas across Australia’s different city plans when analysed across eight over-arching themes of:

- economy,
- community and population,
- environment,
- housing infrastructure and transport,
- place,
- urban development and planning, and
- land supply and use

Pill and others from the Australian Housing and Urban Research Institute have also recently confirmed in a similar vein, the ‘uneven’ approach. They have found, for example, that mechanisms are needed to create or preserve affordable rental housing in areas benefiting from new investment. They also found that improved connectivity to employment opportunities are largely absent in capital city strategic plans and regional planning frameworks.

2.1.1 The opportunities.

Elevating a national and coordinated approach to planning.

With the new National Cabinet now replacing the Council of Australian Governments (COAG), and the recently completed Conran review of former COAG Councils and Ministerial Forums, an opportunity presents itself to ensure that there is a coordinated
approach between the major government areas and stakeholders involved in cities planning.

We note that following the COAG Councils and Forums review, ongoing regular meetings will be convened of *Infrastructure and Transport Ministers* that report to the National Cabinet. The review noted that these first-tier ongoing Ministers’ meetings, such as Infrastructure and Transport, are typically,

*addressing key federation issues, have a large ongoing joint strategic policy agenda and priority workloads that warrant regular, formal meetings for the foreseeable future. An ongoing body is required to ensure continuity of oversight and enduring accountability for complex systemic issues.* (ibid)

In contrast, meetings of Australia’s *Planning Ministers* in the new framework recommended by the Conran review, are only second-tier meetings. These are recommended to be time-limited and convened only when needed only for specific tasks with specified, sun-setting timeframes of no longer than 12 months.

The complex nature of cities and urban planning in the face of broader issues of a national population policy requires joint strategic policy, and cities planning is about complex and inter-related issues.

Building on the momentum created by the Federal Government’s Cities Deals and Smart Cities (and Suburbs) programs, there is an opportunity to lead with a greater coordinated approach. The Institute recommends that the Planning Ministers’ meeting are merged with those of the Infrastructure and Transport Ministers.

| Recommendation 1.1 | Australian Government and States and Territories Planning Ministers’ Meetings are merged with the ongoing Infrastructure and Transport Ministers meetings to achieve the greatest efficiency of effort and coordination to ensure the best outcomes for Australia’s capital and regional cities and urban environments. |

**Key value of a local focus.**

The Covid-19 pandemic has been a relatively unforeseen influence, that will also impact cities and urban design and planning. Covid-19 has raised important issues about housing affordability and overcrowding (especially for renters), city and urban open space, changing work patterns and the potentially altered demand for real-estate in the central business or activity districts of major cities.

The Australian Government and State / Territories governments, to the end of 2020, have invested in a range of economic stimulus measures through Covid-19 pandemic recovery
initiatives or their annual budgets\(^1\) to enhance built environment\(^2\) to the value of at least $38 billion\(^3\).

The best economic stimulus investments can be made when there are ‘shovel’ ready or already identified opportunities established through prior planning with implementation strategies. With this level of preparation, stimulus funding can be readily connected to a range of projects at different scales – ensuring a distribution of benefits for the project themselves as well as supporting Australian private enterprise and private sector employment.

The Institute commends the value of local communities working in partnership with their respective States and Territories governments and the Australian Government to develop liveable, thriving, sustainable and economically productive communities. The Cities Deals and Smart Cities Plans provide an important investment platform. However, with better planning, local communities can demonstrate feasible strategies that provide a greater likelihood of strengthening their communities over the longer term.

The value of developing master plans and strategic plans such as *Plan Greater Bendigo*\(^4\) in Victoria and *Hahndorf Township Plan*\(^5\) in South Australia as a pre-cursor step to seeking infrastructure grants from governments should be recognised and encouraged. Funding communities to undertake master planning and develop strategies to implement these plans provides a strong incentive for local communities take responsibility for their futures.

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### 2.2 Theme 2 – Ensuring good design.

A large body of Australian and international research provides evidence that good design and architecture leads to improved liveability. Almost all Australians (97 per cent) believe that cities and towns are better to live in when public buildings and public spaces are well designed\(^6\).

Governments are a central influence in delivering on community expectations of how the built environment will support Australian society. In turn, well designed, liveable places become centres of social and economic activity creating sustainable, long-term returns on

\(^1\) Most of these were delayed, together with the Federal budget until late 2020.
\(^2\) Not including transport and other large-scale infrastructure such as electricity grids, and irrigation.
\(^3\) $200 million for Hahndorf Township Improvements and Access Upgrade was funded in the 2020 Federal Budget.
Building Australia’s capacity to deliver economically thriving and liveable cities and regional communities requires governments to support Australian skills and expertise, ensuring a strong and vibrant built environment industry. All Australian governments have a responsibility to support the development and growth of high value, knowledge-based built environment jobs within Australia.

Architects have a key role to play when governments seek to deliver place-based infrastructure and community services. Equally, they can transform private spaces. Architecture is not just for major cities and not just for the elite and the wealthy. It is something that can contribute meaningfully to the lives of people in all corners of Australia.

Government structures must also support the provision of independent, expert advice across portfolio areas on urban design and infrastructure and to allow for the coordination and collaboration of all tiers of government, the private sector, researchers, and the wider community.

The Australian architectural profession must be recognised as providing innovative design leadership both locally and internationally and for their contribution to the Australian economy and recovery from the Covid-19 pandemic.

Architecture is an important export commodity. For example, despite our current differences of view with the Chinese Government on specific issues, the Australian Government’s Trade and Investment Commission recognises the important export market for Australian Architectural services in our trade relationship with China.

Government Architects.

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.

In the United States there is an entire branch in their Federal Government’s General Services Administration for Architecture and Engineering that also has responsibility for more than five hundred historic buildings including some very old buildings still being used today for their originally commissioned purposes.

Similarly, the relatively recent re-establishment of a Head of Architecture in the UK government in 2019, had evolved from their role as advisor to Ministry for Housing Communities and Local Government (MHCLG). From that role, a broader whole of government role remit was developed to look at how they make MHCLG the centre for design advice to all other areas of government.

2.2.1 The Opportunities.

The Parliamentary Standing Committee on Public Works (also known as the Public Works Committee or PWC), established in 1913, is one of the oldest investigative committees of the Australian Parliament. The Committee is constituted by the Public Works Committee Act (1969).
The Act empowers the Committee to inquire into and report to the Parliament on each public work referred to it. With few exceptions, all public works for the Commonwealth which are estimated to cost more than $15 million must be referred to the Committee including both public works sponsored by Commonwealth departments and major statutory authorities with large building programs.

Even ‘medium works’ with a proposed cost over $2 million and under $15 million are required to be notified to the Committee prior to tenders being called.

The Committee reports to the Parliament on a number of parameters such as the need, purpose and suitability of proposed works, cost–effectiveness, value and revenue returns. The Committee’s procedure manual details its operations pursuant to the Public Works Committee Act 1969.

An Australian Government Architect would clearly have an important primary purpose in being an independent advisor to this long-standing bi-partisan committee. A Government Architect appointed, for example, to the secretariat could increase the efficacy and efficiency of the Committee.

**Recommendation 2.1**

An Australian Government Architect is appointed as an expert advisor to support an integrated approach to built environment policy and practice across all tiers of government and to engage meaningfully with industry to advance public outcomes.

While our cities have traditionally been the generators of our national wealth, rural and regional communities have a greater future role to play. To support this transformation, rural and regional communities must be well-connected to urban centres and their services. This requires the integration of planning, transport, design and implementation.

The core principles of approach to design for public works, and the processes to design and bring to fruition high quality, sustainable, accessible, inclusive and productive places and buildings of longevity that create a civic legacy requires a well developed policy. A comprehensive policy would comprise a framework with core elements of the principles, guidelines, standards and regulation.

Therefore, once appointed, the Australian Government Architect would be well placed to lead the development of a National Architecture Policy Framework that extends architecture’s contribution to the delivery of great, sustainable places for all Australians, regardless of location.

**Recommendation 2.2**

The Australian Government Architect, once appointed, leads the development of a National Architecture Policy.
2.3 Theme 3 – Procurement of architectural services.

Commissioning architectural services through quality-based selection.

The selection of an architect is a crucial early step in the delivery of a successful built form project. Thoughtful and thorough consideration at the early stage of consultant procurement maximises the possibilities for design quality, cost savings, and a productive working relationship between the client and consultant group.

Government agencies and institutions in Australia have adopted various methods of quality-based selection (as opposed to cost-based selection) to commission architectural services, including Expressions of Interest (EOI), Request for Tenders (RFT), Request for Proposals (RFP) and Design Competitions. Each of these methods has merit and provides agencies with options to suit the burgeoning type of projects commissioned in the public sector.

Over time, however, the variance and complexity of these methods has increased, as has the onus on architectural practices to respond with more detail and take on greater risks associated with changing procurement models. Many government and institutional clients are aware of the difficulties for consultants in the architectural services procurement process and are taking steps to address them. Policy frameworks of all public agencies are constantly undergoing refinement.

In its response, in May 2020, to the House of Representatives Standing Committee on Infrastructure, Transport and Cities ‘Building Up & Moving Out’ report, the Institute noted the Australian Government’s desire to achieve a fair and level playing field for competitive procurement that delivers value to the Australian taxpayer. The Australian Government’s Procurement Rules also identifies the importance of non-discriminatory competition. The rule recognises that participation in procurement can impose costs on potential suppliers and therefore procurement processes should be designed commensurate with the scale, scope and risk of the proposed procurement.

2.3.1 The opportunities.

Expression of Interest and Request for Tender.

The Institute has identified procurement of architectural services as a key policy priority and has recently undertaken research to investigate best practice Expression of Interest (EOI) and Request for Tender (RFT) methods in public sector and educational institutions.

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4 In its response to Recommendation 34 Government stated that it, ...recognises the importance of Tier 2 and 3 contractors to the Australian economy and ensuring taxpayers get value-for-money from infrastructure procurement. On 9 August 2019, the Council of Australian Governments asked the Transport and Infrastructure Council to commission analysis and provide advice on infrastructure market conditions in each jurisdiction. For each project, the Government assesses the best value option to deliver a project, including considering market competitiveness and the most appropriate delivery partners. The Government will continue to partner with the states and territories to deliver cost-effective infrastructure to the community.
that commission architectural services. In the context of ongoing change, the research looked to explore the perceptions and experiences of clients and architects of procurement practices, with a view to improving the procurement process. The research included an analysis of industry and government policy documents, interviews with government and institutional clients, and an online survey of Institute members.

Without clear and concise tender processes that provide equal opportunity, a fair distribution of project risk and a focus on quality design, clients can expend precious time and public resources in the procurement of architectural services and undermine the potential quality of their built project. This is true for projects delivered anywhere in Australia.

Our research enabled the Institute to develop a set of Guidelines for EOI and RFT for architectural services\(^5\). The objective of the guidelines is for potential clients to review their own EOI and RFT methods and documents and align them with best practice to enable an effective and efficient process that maximises the potential for high quality built outcomes and reduces bidding and assessment costs for all.

The Institute is continuing to engage with government at all levels\(^5\) while encouraging members to share the guidelines with potential clients so that together we can promote better procurement practices for all.

**Recommendation 3.1**

| To ensure fair and open procurement for architectural services that maximises economic benefits and creates a rich legacy of civic buildings and urban space, the Australian Government references and advises use of the Australian Institute of Architects’ Guidelines: Expressions of interest and requests for tender for architectural services as adjunct information to the Commonwealth Procurement Rules. This advice should also be extended as a condition of all Australian Government funding agreements.

**Design competitions.**

Architectural competitions can generate excellent outcomes for clients and a quality–built legacy. Design competitions help to open up the field of participants, generating public interest in a project and supporting innovation. The independence of a well–run competition can mitigate political risk, unify disparate stakeholders, resolve conflict and realise the full potential of a project.

\(^5\) The Guidelines have been endorsed by the Victorian Government.
### Recommendation 3.2

Procurement for significant public works by the Australian Government or Government agency include the use of design competitions when relevant. We recommend that the criteria for ‘significant’ adopts the threshold of $15 million project value that is currently applied to Public Works mandated for referral to the Australian Parliament’s Standing Committee on Public Works.

In order that the opportunities afforded by a competition approach can be fully realised, the process must be robust. To support the appropriate use of design competitions the Institute has produced a detailed Architectural Competitions Policy. The Policy addresses a range of issues from different types of competitions to formulating a brief and jury selection, the guidelines support government, and non-government entities, to make key decisions about what competition process to use depending on size, objectives, time constraints and the design flexibility of the project.

### Recommendation 3.3

To ensure that government is an informed client and that the opportunities afforded by a competition approach to the provision of civic space and public buildings can be fully realised, the Australian Government references and advises use of the Australian Institute of Architects’ Architectural Competitions Policy as adjunct information to the Commonwealth Procurement Rules or as a condition of funding for projects involving competitive design processes where Commonwealth funding is being used.

**Local focus.**

There is also scope for design competition objectives together with expression of interest guidelines to support the use of local capability and procurement aggregation. When government looks to coordinate planning and development to support local capability, additional local economic benefits can be leveraged beyond just an increase in built environment amenity and access to community facilities. This is clearly an approach that governments across Australia have understood well in developing Covid-19 economic recovery stimulus measures.

### Recommendation 3.4

The Australian government ensures that Australian architects are shortlisted in competitive design and tender processes for its own publicly funded projects, or as a condition of funding for projects involving competitive design processes where Commonwealth funding is being used.

**Fair allocation of risk to ensure innovation and maintain high quality.**
The Australian Government is aware of risks when building are designed and constructed. The Government, itself, commissioned the Building Confidence report to examine the broader compliance and enforcement problems within the building and construction systems affecting the implementation of the National Construction Code.

However, it is also important that risk and innovation are balanced to enable responsive design of buildings and that built environment continues to evolve in a way that is highly responsive to the changing needs of society, community, economy and environment. Changing demographic and settlement patterns, climate change and natural disasters, and technological advances are examples of factors that also shape the demands and opportunities for innovative built environment.

In its own procurement rules, the Australian Government considers that innovation and flexibility over the lifecycle of a procurement are among the important considerations when appraising value for money. The Procurement Rules also consider consideration of procurement risk such that,

\[
\text{as a general principle, risks should be borne by the party best placed to manage them; that is, relevant entities should generally not accept risk which another party is better placed to manage. Similarly, when a relevant entity is best placed to manage a particular risk, it should not seek to inappropriately transfer that risk to the supplier.}
\]

### Recommendation 3.5
That the Australian Government departments and agencies negotiate the terms of liability and indemnification in procurement and other funding contracts with successful tenderers for Architectural services on the basis of ensuring a balanced approach that promotes good design, safety and quality outcomes.

### 2.4 Theme 4 – Climate change and community resilience

#### Prevention and mitigating impacts.

Australia’s built environment contributes almost a quarter of Australia’s emissions, offering a significant opportunity for emissions reduction. As a signatory to the Paris Climate Change Agreement, Australia has committed to reaching net zero emissions by around 2050.

Australia must also enhance the resilience of our built environment to extreme weather events and predicted climate change impacts. These impacts have a great economic cost. As one conservative measure of direct costs, arising as losses from damaging impacts, the Insurance Council of Australia (ICA) had estimated that up to the end of April 2020, the total insured loss from the 2019-20 Black Summers fires to be over $2.2 billion including the losses resulting from the destruction of 5,900 buildings of which 2,779 were people’s homes.

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6 Through the former Council of Australian Governments’ Building Ministers’ Forum.
7 With the caveat that this was likely to be an under-estimate of the total eventual loss.
The ICA has also estimated the cost of rebuilding communities following disasters, between November 2019 and April 2020, arising from over 252,000 insurance claims from natural disasters in Australia to be more than $4.6 billion.

As an indicator of business losses from the shutdown to economic activity brought about by the fires, the Australian Tourism Industry Council had reported that these to be almost $1.0 billion by mid-January 2020 alone.

Growth in our urban and rural cities means increasing pressures on our natural environment and the crucial ecosystem services they provide (e.g. clean air, cooler urban areas).

Climate change is expected to exacerbate these pressures. We must create a sustainable built environment that fosters connectivity and integrates essential resources and functions to mitigate against adverse impacts from climate change.

2.4.1 The opportunities.

More resilient buildings.

In March 2020, the Council of Australian Governments (COAG) tasked the Building Ministers Forum to consider ‘how to adapt the built environment to future climate and hazard conditions’.

This work forms a key part of the Commonwealth Government’s response to the Royal Commission into National Natural Disaster Arrangements.

The Royal Commission, in its findings, had noted key evidence that would save lives and deliver a more resilient built environment that is better equipped to face future challenges.

This included the need to evaluate the National Construction Code, making buildings more resilient to natural hazards, as well as revisiting the effectiveness of the Australian Standard AS3959-2018: Construction of buildings in bushfire-prone areas. The Royal Commission recognised this standard is out of date and based on 2009 Forest Fire Danger Index data rather than responding to the much higher danger levels being experienced a decade later.

The Institute had also identified this and other key areas of work to be undertaken on Australian Standards and to strengthen the National Construction Code in our recommendations to the Royal Commission into Natural Disaster Arrangements. These included:

- Amending the National Construction Code to ensure that overall energy efficiency is balanced alongside the need for heat resistant design, limiting indoor heat stress for occupants during heatwaves.
- Updating Australian Standard AS3959-2018: Construction of buildings in bushfire-prone areas which is currently is guided by 2009 Forest Fire Danger Index (FDI) data

8 Though this played out over a much longer time notwithstanding that Covid-19 followed closely at heels of the bushfires.
with newly modelled bushfire risk quantification and mitigation actions using data from 2019/20 fire events.

- Reviewing the use of Australian Standard AS 1530.8.2: *Methods for fire tests on building materials, components and structures* and streamlining the processes by each regulator in each state and territory.
- Using evidence from the 2019/20 fires to revise Australian Standard AS 5414-2012: Bushfire water spray systems.
- As a matter for the Building Ministers Forum and Australian Building Codes Board, evaluating the merits of approved bunkers within bushfire prone areas for both private and public use including using community buildings as ‘safer-place’ refuges.
- A detailed and considered review of options to bring a wider array of accredited bushfire bunkers to the market.

The regulatory reform required in response to the bushfires sits alongside existing reform programs in response to the Shergold-Weir Building Confidence report on quality in construction and work on the Trajectory for Low Energy Buildings. In March 2020, the Council of Australian Governments (COAG) tasked the Building Ministers Forum with considering ‘how to adapt the built environment to future climate and hazard conditions’. As yet, there has been no response from the BMF on this activity. The scale of the reform challenge in building regulation is sizeable and we simply can’t afford to have anyone drag their feet on implementation.

Great design is a critical first step in ‘building back better’ after natural disaster but this must be paired with high-quality construction informed by evidence-based data. We need to holistically and urgently re-examine where and how we build, and how our regulatory environment operates in the context of a rapidly changing climate.

The current regulatory system lacks a strong base of relevant data, a capacity to be agile and follows an outdated approach of implementing extremely slow-moving reforms only after a disaster has taken place. We can and must do better, as Australian communities depend on it. Science has shown us what to expect from a changing climate. We must act urgently to mitigate the impacts. Australia’s built environment accounts for a quarter of our carbon emissions so there is huge capacity within the Building Ministers’ Meeting (BMM) to lead in this area and affect meaningful and lasting change.

| Recommendation 4.1 | The current regulatory system lacks a strong base of relevant data, a capacity to be agile and follows an outdated approach of implementing extremely slow moving reforms only after a disaster has taken place. With oversight from the Building Ministers’ Meeting, the Australian Building Codes Board and Standards Australia must be adequately resourced to implement the recommendations from the Royal Commission into National Natural Disaster Arrangements as a highest priority. |

### Preventing further anthropogenic climate change or resilient buildings.

As a signatory to the Paris Climate Change Agreement, Australia has committed to
reducing economy-wide greenhouse gas (GHG) emissions by 26 to 28 per cent below 2005 levels by 2030.

The Australian Sustainable Built Environment Council’s (ASBEC) Low Carbon, High Performance roadmap\textsuperscript{xx} found that actions to reduce emissions from the building sector (including new and existing buildings), could deliver 28 per cent of Australia’s 2030 emissions reduction target. Setting strong energy standards for new buildings between now and 2050 could reduce energy bills by up to $27 billion, cut energy network costs by up to $12.6 billion and deliver at least 78 million tonnes of cumulative emissions savings\textsuperscript{xxi}.

Improved energy performance of buildings reduces stress on the electricity network, offers bill savings, supports a least-cost pathway to a zero-carbon built environment, and improves health and resilience outcomes for households and businesses.

Important work has already been carried out by the former Council of Australian Governments (COAG) Energy Council’s Trajectory for Low Energy Buildings\textsuperscript{xxii} which has proposed incremental changes to the National Construction Code (NCC) to reduce the operational energy use and greenhouse gas emissions of buildings.

Presently, the Australian Building Codes Board (ABCB), as directed by the former COAG Building Ministers’ Forum (BMF)\textsuperscript{9}, is investigating possible changes to NCC’s energy efficiency provisions, with an emphasis on residential buildings in the revised National Construction Code, \textit{NCC 2022}\textsuperscript{xxiii}.

<table>
<thead>
<tr>
<th>Recommendation 4.2</th>
<th>The Australian Government establishes a national plan towards zero carbon buildings by 2030 that can be supported and led where appropriate by state and local government.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Recommendation 4.3</td>
<td>Strong mandatory minimum standards must be set for the energy performance of buildings and appliances and energy efficiency programs must be adapted for existing and new buildings. More stringent energy standards must be included in the National Construction Code. To this end, the Institute asks for increased funding for the Australian Building Codes Board to accelerate its work on energy efficiency provisions for residential and commercial building stock as part of NCC 2022.</td>
</tr>
</tbody>
</table>

There is also a further opportunity which picks up the momentum to improve the overall quality of building in Australia that has been set in motion by the 2018 Building Confidence (Shergold-Weir) Report. There is ongoing implementation oversight by the Building Ministers’ Meeting of National Cabinet\textsuperscript{10}.

\textsuperscript{9} Now the Building Ministers Meeting following the October 2020 Conran Review of COAG Councils and Ministerial Forums.

\textsuperscript{10} See previous footnote.
The Building Ministers’ Meeting could also investigate and request options for each State and Territory to legislate for post-construction audits to measure ‘as-built’ environmental performance. The Institute is extremely keen to support reform aimed at rebuilding consumer confidence in the building and construction industry. Property owners must have the confidence that designs meet the Building Code of Australia, that they are designed and then constructed by appropriately qualified professionals and that the original design intent is realised in the finished building.

One robust way to achieve this is to measure if buildings perform as designed once they have been built and occupied. The data from these audits would provide an important data base to continually improve building design, construction, operation and maintenance.

**Recommendation 4.4**

The Building Ministers’ meeting of the National Cabinet creates an additional requirement for building reform such that each State and Territory will legislate for post-construction audits to measure as-built environmental performance. To aid the achievement of this outcome we recommend that the Building Ministers’ meeting establishes a working group to establish a set of national minimum requirements for the legislation.

At the same time as Australia works to improve the overall design of its building stock with a particular emphasis on the National Construction Code, further opportunities are presented through a range of subsidies to retrofit improvements to existing buildings such as solar panels, batteries, and solar hot water. However, these subsidies vary in their availability and type (e.g. grants or rebates) by jurisdiction. There are not always clear pathways for property owners or occupants to access many of the subsidies or forms of assistance.

**Recommendation 4.5**

Establish a coordinated framework for all incentives for Australian households and the private sector to implement climate change mitigation and adaptation strategies in the built environment by:

- conducting a review of incentives funded by the Australian, States and Territories and local governments including their type, amounts, eligibility and use, and
- developing a national dataset of the energy rating for all active (occupied/in-use) residential, retail, commercial/community/public building stock and the implementation of sustainability solutions such as reglazing, insulation, shading, solar electricity and solar hot water undertaken through a national registration system linked to incentives.

**Planning and designing sustainable communities.**

This submission has identified opportunities to strengthen overall built environment
planning noting the Australian Government’s City Deals and Smart Cities program. All partnerships and funding under City Deals or Smart Cities are evaluated using the Smart Cities 2017 National Cities Performance Framework\textsuperscript{xxv}. It is also commendable that the National Cities Performance Framework dashboard contains indicators for sustainability\textsuperscript{1,xxvi}. The indicators are open to improvement and “future indicators” have been suggested in the 2017 National Cities Performance Framework report such as:

- volume of waste diverted to landfill per person,
- total emissions from all sources per person, and
- different types of energy consumption (gas, electricity, transport) per person

These indicators should be further developed and included as part of the current indicators review that is underway\textsuperscript{xxvii}.

Moreover, it is at the outset that incentives and flexible financial arrangements provided to state governments, capital and regional cities through the City Deals and Smart Cities programs could be linked to ensuring outcomes that enhance sustainability and liveability. These outcomes could be measured through the indicators that have been developed for the National Cities Performance Framework Dashboard.

| Recommendation 4.6 | All new City Deals or Smart Cities partnerships and funding agreements must be linked, at the outset, to the achievement of outcomes that enhance sustainability and liveability as measured by a minimum of two sustainability indicators and two liveability indicators from the National Cities Performance Framework. |

Architecture research, design, innovation and practice makes an increasingly critical contribution to our survival, well-being and productive economy by using the built environment to reduce the greenhouse gas footprint that contributes to anthropogenic climate change, and to mitigate and adapt to its impacts.

| Recommendation 4.7 | The Australia Government asks the Building Ministers’ Meeting to commission a working group to develop a minimum brief for Architecture Services procurement by the Australian Government that includes implementation of climate change reduction, mitigation and adaptation strategies in the built environment. The use of this brief should also be extended as a condition of all Australian Government funded projects that involve architectural services. |

\textsuperscript{11} Via the Liveability tab
2.5 Theme 5 – Housing a diverse and inclusive community

Australia is faced with a major housing problem in terms of availability, affordability and accessibility. There is a major shortfall of social housing available for those on low incomes who need housing, especially those who have recently experienced homelessness, family violence or have other special needs. Affordability affects our overall productivity as a nation and the ability of all citizens to participate effectively in the economy.¹²

All levels of government in Australia will need to coordinate approaches to support housing diversity because:

- Australia will need to build more than one million social and affordable houses over the next 20 years to combat the housing affordability crisis, many of these will need to be located in regional Australia.
- By 2036, Australia will need 728,600 social housing properties for those on social security, and 295,000 affordable rental homes for low income earners.
- Mortgage stress, rental stress and homelessness are all on the rise. Private renters in the lowest two income quartiles spend 29–47 percent of their disposable income on housing.²⁵

Accessibility is also another major issue for Australia’s ageing population and people with a disability. These pressures are present equally in both urban and regional centres. However, longer distances and the ability to access services becomes a more significant hurdle to overcome in regional Australia.

The National Disability Insurance Scheme (NDIS) provides funding to eligible participants to build or modify housing to suit individual needs through the “Specialist Disability Accommodation” funding type.¹³ However, many people with a long-term disabling condition, including those that give rise to psycho-social disability, may not qualify for the SDA funding, nor even the National Disability Insurance Scheme itself.

The Australian Government historically had provided a targeted response of housing support for older adults’ through capital subsidies for what came to be known as ‘Independent Living Units’ for more than three decades from 1954 to 1986 funded under the Aged Person’s Homes Act 1954.¹⁴ The Act was originally created by the Menzies Government as a response to the plight of older Australians at risk of, or experiencing homelessness in the housing shortage following the Second World War. The Act eventually became known as the Aged and Disabled Persons Homes Act which, together with Aged Persons’ Hostel Act 1972, was eventually superseded by the current Aged Care Act 1997.

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¹² We note the last Productivity Commission Inquiry into Public Housing was conducted in 1993, and a Government (Senate Inquiry) into Housing Affordability in 2015 to which the Commonwealth provided its response in March 2018. The House of Representatives Standing Committee on Social Policy and Legal Affairs is currently undertaking its Inquiry into Homelessness in Australia and in October 2020 released an interim report focusing on Covid-19.

¹³ Most often according to the NDIS’ SDA Guidelines, these are for group homes.

¹⁴ This Act eventually became known as the Aged and Disabled Persons Homes Act which, together with Aged Persons’ Hostel Act 1972, was eventually superseded by the current Aged Care Act 1997.
we now called “residential aged care” is for those people assessed as needing around-the-clock care and support arrangements, independent living units were purely a social housing response.

Older Australian’s Homelessness risk has increased over recent years, in a cohort of people who have worked all of their adult lives and have not been among the more conventionally identified “homelessness” group. Moreover, in recent years, the plight of single women who, on reaching retirement, find themselves at risk of homelessness has been identified in government and non-government reports.

_Australia’s lack of appropriate and affordable housing, particularly for those on low incomes, which means that increasing numbers of older women are left with nowhere to go. This is an unfolding crisis that is only worsened by the economic, social and health impacts of COVID-19, which has highlighted the critical link between safe, secure and affordable housing and good health and wellbeing, particularly in older age_.

We also note that the criticism of otherwise well-intended subsidies including first-home buyers grants and general rent assistance in the tendency for markets to often factor these broad subsidies into their price or to skew markets. This emphasises the need for government assistance which is highly targeted to those who need it most and does not create these unintended impacts. AHURI in 2020, have highlighted this, estimating that,

_32.4 per cent of a modelled increase in CRA [Commonwealth Rent Assistance] is shifted into higher rents. CRA is more likely be captured in higher rents in disadvantaged rental markets because of relatively inelastic housing supply in low-value market segments._

2.5.1 The Opportunities.

In 2015-2016 the Senate Standing Committee on Economic Affairs conducted its ‘Economic security for women in retirement Inquiry’ The Australian Government eventually responded to the inquiry report titled _‘A husband is not a retirement plan - Achieving economic security for women in retirement’ _in August 2018. In its response to the inquiry’s final recommendation that the Government ‘takes account of the particular difficulties confronting older Australians in the rental market’, the Government indicated the opportunity to help address this issue in its then just announced measure in the 2017–18 budget to establish the National Housing Finance and Investment Corporation.

Since 2018 the Federal Government has established and operated the National Housing and Finance Investment Corporation (NHFIC) to provide low cost loans to build/ refinance community housing and concessional loans for infrastructure for housing development. The Affordable Housing Bond Aggregator (AHBA) provides low cost, long-term loans to registered community housing providers (CHPs) to support the provision of more social and affordable housing.

At present the scheme is only open to registered Community Housing Providers in each of the States and Territories. However, there are a large number of more diverse organisations in the not-for-profit sector who respond to the different needs of people with one or more attributes that may make them vulnerable to homelessness. Many of these organisations
have land on which social housing could be built. Co-investment by the NHFIC could effectively amount to sensible economic and social returns. Moreover, the stabilising effect of secure and well-designed housing can prevent people with particular vulnerabilities from entering more intense service systems which represent a cost to society and government, such as through responses delivered by aged care, disability, mental health and even justice systems.

Similarly, in 2015, the Australian Government Senate Economic Legislation Committee’s Inquiry into Affordable Housing Report recommended that,

*Government-owned land, whether state or Commonwealth-owned represents a potential land supply for affordable housing. Current governance, transparency and divestment arrangements could be improved so that this potential might be realised.*

This was a recommendation that was essentially endorsed in the Government’s response to the inquiry in March 2018. In a section of its response, subtitled, “Unlocking Supply” the Government flagged the establishment of NHFIC and provided the example of 127 hectares of government land in Maribyrong (a suburb of Melbourne) to support up to 6,000 new homes.

The important and beneficial Government initiatives could be effectively combined with the Nightingale approach of housing developmentxxxvi This sets aside 20 per cent of a development for Community Housing Providers and the housing can only be bought by people intending to occupy and on-sold on regulated terms to ensure the housing remains affordable. The development designs focus strongly on sustainability, utility and building community.

The Government response to the Senate Standing Committee on Economic Affairs recommendation to address difficulties confronting older Australians in the rental market, also noted that it would encourage social impact investing to support innovative approaches to reduce homelessness. The Australian Institute of Architects promotes the Nightingale approach as an innovative approach that government should investigate further.

<table>
<thead>
<tr>
<th>Recommendation 5.1</th>
<th>Extend National Housing Finance and Investment Corporation (NHFIC) low cost loans to a broad range of purpose-based not-for-profit and charitable entities with available land to build low cost rental housing for adults who are at risk of homelessness using No Interest Loans (NILS) or direct grants where the organisation is contributing freehold land.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Recommendation 5.2</td>
<td>Release federally owned land in suitable locations to enable the development sector to partner with the Australian Government in the delivery of new social and affordable housing.</td>
</tr>
<tr>
<td>Recommendation 5.3</td>
<td>National Housing Finance and Investment Corporation (NHFIC) to investigate the Nightingale approach as a way to extend its investment approach to one of co-investing with potential owner-residents.</td>
</tr>
</tbody>
</table>
The requirement for culturally appropriate housing for Indigenous (Aboriginal and/or Torres Strait Islander) communities is also keenly important to create healthier, more stable, secure and socially cohesive communities. The use of co-design process and agreed outcomes should support those communities to build and maintain their own housing maximising the use of the local workforce in those communities who choose to do. In this way, these remote communities are not continually reliant on external capacity and skills to develop and maintain their housing.

<table>
<thead>
<tr>
<th>Recommendation 5.4</th>
<th>The Australian Government procures architect teams to work with remote Aboriginal and /or Torres Strait Islander communities to develop sustainable co-design housing responses for families and communities.</th>
</tr>
</thead>
</table>

Given the growing scale, geographic spread and complexity of the housing affordability and homelessness problem, the ability to measure change is key to managing a situation that has become even more pronounced since Covid-19. It has also accelerated in locations away from most capital cities, where housing has generally been considered more affordable.

Under Section 31 of the new National Housing and Homelessness Agreements between the States/Territories and the Commonwealth, there are performance indicators to be developed by July 2021 and there are also outcomes performance measures to the schedules of the individual agreements between each State/Territory and the Commonwealth.

Clear targets for social and affordable housing must be developed, including responses for specific groups in the community, against which gains made through government investment that can be measured.

| Recommendation 5.5 | Publish performance of National Housing and Homelessness Agreements (NHHA) against clear numeric and per-capita targets for social and affordable housing dwelling stock including sub-targets for different housing types and needs. To improve transparency and accountability, ensure each State and Territory’s Agreement identifies the specific Commonwealth vs State/Territory contribution towards the cost of acquiring land and building dwellings that are specified in their NHHA with the Australian Government. |

2.6 Theme 6 – Improving building quality

Australia needs to change the building regulatory environment regarding compliance with and enforcement of the National Construction Code (NCC). There have been significant compliance failures such as those associated with non-conforming building products and
fire safety.

These failures are of significant and on-going concern and have occurred for three main reasons:

1. quality is not consistently embedded into the value system of the design and construction process;
2. the roles and responsibilities of those involved are often not clearly defined; and
3. there is a general lack of appreciation of good design and the value of thorough documentation.

2.6.1 The opportunities.

The Institute has been closely engaged with governments and regulators across Australia and it is very encouraging to see that changes are now starting to take effect in response to the nationally endorsed recommendations of the Shergold-Weir *Building Confidence* report. This momentum for reform must be harnessed and all the findings of the Building Confidence Report must be implemented in a nationally consistent manner, as a high priority.

The former Building Ministers’ Forum had agreed with Recommendation 21 of the Building Confidence report, that the establishment of a compulsory product certification system for high-risk building products is central to addressing issues such as the cladding fires in Victoria.

In the Covid-19 recovery economy, seeking opportunities to secure the supply chain and re-invigorate Australia’s manufacturing economy provides an additional and sound rationale for a product certification system. This need to be a system which allows only high quality and compliant products to be imported while also providing a layer of further assurance about the high quality of Australian building products to our export markets.

In addition, ensuring that only certified products, manufactured locally or overseas, are used in any construction project requires dedicated rules and processes set out in legislation and with a well-resourced watchdog. The Queensland Chain of Responsibility Legislation\(^{15}\), establishes a chain of responsibility, placing duties on building supply chain participants (including designers, manufacturers, importers, suppliers and installers) to ensure building products used in that state are safe and fit for intended purpose. The Act expands the compliance and enforcement powers of the Queensland Building and Construction Commission (QBCC), and the responsible minister.

| Recommendation 6.1 | Ensure states and territories implement all of the recommendations of the Building Confidence report within its recommended three year implementation timetable. |

The Building Ministers’ Meeting to address Recommendation 21 of the Building Confidence report by undertaking an investigation into the options to establish a compulsory product certification system for high-risk building products including regulatory mechanisms such as the Queensland Chain of Responsibility legislative model.

The former COAG Building Ministers’ Forum has been replaced by the Building Ministers’ Meeting under the new National Cabinet arrangements. Whereas the previous Building Ministers’ Forum was an ongoing meeting, the new Building Ministers’ Meeting is now only convened for a maximum of 12 months, to deliver on specific priorities before disbanding. This creates a risk of not fully implementing all of the Building Confidence recommendations prior to the Building Ministers’ meeting disbanding.

There is other ongoing work (for example, our recommendations in this submission for the Australian Building Codes Board and National Construction Code led improvements in relation to bushfire resilience and energy efficiency) that also warrant oversight of the Australian Government with the Building Ministers of all States and Territories under Australia’s federal model by which design and construction are regulated. There will remain an ongoing need into the foreseeable future for the Australian Government to regularly host Building Ministers meetings and subordinate joint industry/government meetings.

Ensuring accessibility for more Australian buildings.

A previous approach recommended in this submission is the powerful effect of embodying design and construction requirements in the National Construction Code (NCC) to improve building quality.

To further ensure that the quality of buildings is improved for all users, there is a need, as considered previously, to regulate through the NCC for the construction of new buildings that are easy to access and adaptable. This would enhance quality of life for occupants of new homes and social and economic inclusion for users of all commercial and public buildings.

In policy terms this is of national significance. In 2010 all States and Territories in Australia, together with the Federal Government, were signatories to the National Disability Strategy 2010–20xxxviii. This Strategy has seen the creation of the National Disability Insurance Scheme (NDIS).

We note that aligned to a recommendation in the Australian Institute of Architects’ 2020 Federal Budget priorities, that the Australian Government Department of Industry, Science, Energy and Resources is currently undertaking a review of the Disability (Access to Premises – Buildings) Standards 2010. The review is expected to be completed in May 2021. The National Construction Code contains these requirements, and states and territories enforce them.

Therefore, as the NCC is strengthened, new buildings will be better placed to deliver the inclusivity and accessibility outcomes that had been envisaged by the National Disability Strategy. At the same time, Specialist Disability Accommodation (SDA) funding is now paid to eligible NDIS participants through their NDIS funding plan. SDA funding is paid if a participant has extreme functional impairment and/or very high support needs and therefore requires specialist housing solutions for construction and/or modifications\textsuperscript{16, xxxix}.

However, this does not respond to the issues of other non-residential dwelling buildings in the community that people with disabilities may need to access regularly for work, recreation, civic participation, shopping or business. The National Disability Strategy, while identifying the need to create accessible housing, also sought to apply the principle of a Universal Design approach.,

\textit{Taking a universal design approach to programs, services and facilities is an effective way to remove barriers that exclude people with disability. Universal design allows everyone, to the greatest extent possible, and regardless of age or disability, to use buildings, transport, products and services without the need for specialised or adapted features. (p30, ibid)}

As identified earlier in this submission, there are schemes to subsidise the retro-fitting of measures to improve energy and water efficiency (and production/ harvesting) for Australian homes and businesses. However there does not appear to be a similar subsidy scheme for retrofitting improvements to the accessibility of buildings, in particular, non-residential buildings\textsuperscript{17}, and non-government buildings, consistent with a universal design approach.

\begin{tabular}{|l|l|}
\hline
\textbf{Recommendation 6.4} & Following the review of the Disability (Access to Premises – Buildings) Standards 2010, investigate the options for subsidy or incentive programs to enable all public and certain classes of private buildings to be retrofitted to meet the revised standards. \\
\hline
\end{tabular}

\textsuperscript{16} SDA does not fund the support services, but the construction or modification of the homes in which the participant resides.

\textsuperscript{17} Apart from NDIS SDA payment, there are some home modifications that can be part- or fully- funded for non-SDA eligible individuals under Victoria’s Statewide Equipment Program and also recipients of a Commonwealth-funded High Care Aged Care Package. There are also specific eligibility requirements to access these programs.
2.7 Theme 7 – Strengthening National Heritage

The Institute has expressed, at every opportunity, significant and ongoing concerns about the $500 million Australian War Memorial (AWM) redevelopment project regarding the planned demolition of Anzac Hall and the imminent part-destructions of key elements of the heritage value of the site.

Architects are passionate about preserving Australia’s heritage and honouring our national history, nowhere more so than the extraordinary service and sacrifice of our servicemen and women. In recognition of this, Anzac Hall was designed with care and sensitivity to the highest standards of design excellence. This effort was recognised when it was selected above any other piece of public architecture to receive the Sir Zelman Cowen Award. In 2005. The award citation included,

    The materials of stone, concrete, metal and glass meld well with the heritage qualities of the existing building, and the powerful and contemporary form of the new building complements the old.

Anzac Hall also received the Canberra Medallion in the same year The AWM is included on the Australian Institute of Architect’s register of Nationally Significant 20th-Century Architecture.

Opened in 2001, at a reported cost of $11.3 million, ANZAC Hall has been lauded for its sensitivity to the heritage and cultural context of this national memorial while also providing functional design. ANZAC Hall is less than 20 years old and this is considered young in public building terms, where average lifecycles are 50 to 100 years.

The demolition of an award-winning building that remains fit for purpose and with options for extension and redevelopment is objectionable, even more so at a time when government resources must be extended across a range of competing demands. It is also not appropriate from an environmental and sustainability standpoint to undertake the demolition.

The AWM is one of our nation’s most significant monuments and a site of immense pride and emotion for the Australian community and this includes Anzac Hall, which is a national landmark and much-loved exhibition space. The Institute believes that the planned demolition of Anzac Hall must be stopped, and an acceptable alternative found instead.

The decision made by the Environment Minister to approve the project and the demolition of Anzac Hall has undermined the notion of national heritage, and especially the concept of a Commonwealth Heritage Listing.

Moreover, the Australian National Audit Office (ANAO) found in their report released in June 2020 on Referrals, Assessments and Approvals of Controlled Actions under the Environment Protection and Biodiversity Conservation Act 1999 that,

"Despite being subject to multiple reviews, audits and parliamentary inquiries since the commencement of the Act, the Department of Agriculture, Water and the Environment’s administration of referrals, assessments and approvals of controlled actions under the
EPBC Act is not effective.”

The Australian Institute of Architects called for a Public Inquiry into the AWM redevelopment under provisions of the Environment Protection and Biodiversity Conservation (EPBC) Act 1999. Instead, the department used the “controlled action” pathway, which, given the significance of the redevelopment and the scale of public interest in the project, this was another poor decision and failure of process.

2.7.1 The Opportunities.

It would serve the community well to understand how the entire process brought the situation to this conclusion. There would be learnings to be gained about the expectations and the obligations attendant to a heritage listing, and the rigour expected of a process behind any Commonwealth Heritage Listing removal, in order to preserve the culturally significant national status of the listing.

In light of the findings released in June 2020 by the Australian National Audit Office ANAO, the process by which the Minister for the Environment was able to give effect to the removal of Anzac Hall from the Commonwealth Heritage List under the powers and obligations granted through sections 341L and 341M of the Environment Protection and Biodiversity Act 1999 must be subject to a Parliamentary Inquiry and the redevelopment of the Australian War Memorial should be halted until the findings of the inquiry have been considered.

In addition to the consultation process being deeply flawed from the outset, lacking transparency and failing to proactively engage with key stakeholders, it is particularly difficult to comprehend how the advice of the Australian Heritage Council is not required to be sought when a development impacts a Commonwealth Heritage Listing.

That the government’s own expert advisor, the Australian Heritage Council, had to prepare and submit a submission to AWM as part of the “controlled action” process – having no other avenue to comment or provide expert advice – and that this advice was simply ignored is tremendously troubling.

The Australian Heritage Council concluded that the proposed redevelopment will “have a serious impact on the listed heritage values of the site” and that it was unable to support the proposal. The International Council on Monuments and Sites, an advisory body to the United Nation’s UNESCO world heritage committee, has also expressed its opposition to the redevelopment.

This situation should not be allowed to occur again. The removal of all or any substantial part of a Commonwealth Heritage Listed place, building, monument or other structure should be referred to the Australian Heritage Council for consideration and recommendation to the Minister on an appropriate course of action. The Environment Protection and Biodiversity Act 1999 must be amended to reflect this.
Recommendation 7.1 ➔ The powers and obligations granted to the Minister of Environment through sections 341L and 341M of the Environment Protection and Biodiversity Act 1999 must be subject to a Parliamentary Inquiry. The redevelopment of the Australian War Memorial should be halted until the findings of the inquiry have been considered.

Recommendation 7.2 ➔ Amend the Environment Protection and Biodiversity Act 1999 to require a public inquiry to remove all or any substantial part of a Commonwealth Heritage Listed place, building, monument or other structure from the listing as a heritage safeguard.

Recommendation 7.3 ➔ Removal of all or any substantial part of a Commonwealth Heritage Listed place, building, monument or other structure is referred to the Australian Heritage Council for consideration and recommendation to the Minister on an appropriate course of action. The Environment Protection and Biodiversity Act 1999 must be amended to reflect this.

2.8 Theme 8 – Covid–19 Adaptation and Economic Recovery

The impacts on the business of Architecture.

Institute members have indicated that a substantial slowdown in projects and measurable shifts in employment have been the biggest pandemic driven impacts on practice. With the broader construction sector employing nearly 1 in 10 Australians, the number of projects that have been put on hold or postponed indefinitely indicates that the pandemic will continue to have a significant negative impact on jobs.

There has been a measurable shift in employment status due to the impacts of Covid–19 on the architectural profession with full-time employment decreasing and part-time and casual employment increasing.

In this environment, opportunities for the approximately 1,300 recent university architecture graduates, not yet eligible for registration, to join the architecture profession as supervised ‘graduate’ employees across many Australian practices, has also been significantly and adversely impacted. There is a risk of losing an entire cohort of Australian Architects to economic downturn, as well as the investment made by the Australian taxpayer in their five years of university education.

Our urban and cities fabric will change.

Covid–19 has created a situation where many Australians living in capital and regional cities have been fortunate to have adapted their working lives to one of working from
home. This has had its advantages and disadvantages. The lived experiences across the economy and workforce suggest that there may be productivity enhancements and work-life balance dividends from more flexible work arrangements which give rise to people working more days from their home\textsuperscript{iii}. This may lead to changing use of commercial and public buildings\textsuperscript{iii} as well as hospitality and retail real-estate usage.

2.8.1 The Opportunities.

Supporting young architecture graduates into jobs.

A laudable measure introduced announced in the 2020 Federal Budget were the Boosting Apprenticeship Commencements wage subsidies expansion to support employers and Group Training Organisations to take on new apprentices and trainees. A wages subsidy of up to $28,000 per annum is an important economic stimulus measure which will help get young people into jobs and keep them as JobKeeper payments are gradually wound back.

A similar program could assist young Australian Architecture graduates leaving university, after five years of education, to also get a job.

In broad terms, a person in Australia seeking to become a registered architect is required to complete a three-year architecture undergraduate bachelor’s degree and undertake a further two-year architecture Master’s degree.

Moving from university graduate to registered architect involves demonstrating application of knowledge in skills in architectural practice as specified in the National Standard of Competency for Architects (NSCA)\textsuperscript{iv} which are governed by the Architects Accreditation Council of Australia. Part of this process requires the completion of a minimum of 2 years supervised practice experience (giving rise to 3,300 log-book recorded hours) across a range of architectural practice areas while working for a practice.

After this, the graduate is also required to sit oral and written exams conducted by the Architects Registration Board of the relevant State/ Territory.

This model, which combines learning, on the job, and formal education, is similar to apprenticeship or traineeship programs in other areas of the construction industry as a prerequisite for practitioner registration or licensing.

The award wages of architecture graduates in this supervised paid employment are similar to their construction trades counterparts. Most importantly, this points towards the feasibility of using a similar level of employment subsidy to that being made available for the Boosting Apprenticeship Commencements wage subsidies for apprentices and trainees who undertake VET sector qualifications.

The Australian Institute of Architects proposes that the subsidy would be paid to the employer of new graduates. The Institute has developed a full proposal with financial modelling. The maximum outlay for one year would be $36.4 million if the initiative were to be taken up at maximum scale with all 1,300 masters graduates from the 2020 cohort seeking immediate employment in a practice.
Our modelling demonstrates that this outlay would generate a return on investment, by the end of the first full fiscal year following its commencement, of 132%\(^{18}\) not including imputed savings to government from the avoidance of unemployment.

There is also the potential to recycle the taxation component in out-years to target markets which may be experiencing demonstrated shortages and may struggle to attract graduates.

Women have overall low representation in the construction trades. However, they are found in much greater proportion in Architecture. As such, targeted subsidies assistance to employ graduates also creates an opportunity to promote women’s participation in the combined design and construction sectors. This would represent an effective measure for the Australian Government to improve the economic participation of women.

| Recommendation 8.1 | The Australian Government to fund an initiative of similar scope to the Department of Education Skills and Employment’s Apprentices and Traineeships $28,000 per annum wages subsidy paid to Apprentices and Trainees employers for Architecture practices who employ Australia’s 1,300 Architecture graduates each year. Pay the subsidy for a period of 2 years per graduate to ensure that the major part of the cohort of 2020 graduates is not lost to the Australian design and construction industry. |

Rethinking our central business districts.

In September and October 2020 Boston Consulting Group conducted a survey\(^{xliv}\) of more than 120 small and large Australian companies across different industries, as well as interviews with senior executives from more than 40 of Australia’s largest organisations. One important finding was that nearly half (44%) of companies anticipated reducing their real estate footprint within the next 18 months – and half of these by more than 20%.

While they reported that this reflected similar trends overseas, as interesting was the qualitative aspect that as a changing role of the office evolves, more space per head may be needed due to new formats (to suit social distancing). In addition, corporate offices will need design requirements for layouts beyond typical hot-desks as well as satellite offices.

The Urban Development Institute of Australia have recognised the potential need to position for adaptive reuse of city buildings in Melbourne\(^{xlv}\). One example, they suggest, is for vacant non-premium (C and D-grade) office space to be converted to student accommodation or affordable housing.

\(^{18}\) This is based on the employer outlay for wages at award rates and the combined income tax and Medicare levy paid by the employed graduates.
Research published by the Royal Institution of Chartered Surveyors in 2018\textsuperscript{43} pointed out the risks that when commercial buildings were re-adapted for residential use in various cities across England such that the quality of these schemes varied enormously with examples of both high- and extremely poor-quality residential developments. They found that where building conversions took place in the absence of planning permissions under ‘Permitted Development’ (PD) schemes that residential quality was significantly worse than schemes which required more stringent full planning permission processes.

What is required are more detailed studies of owners, tenants and landlords’ intentions as well as more wholesale modelling of the forecast usage changes and master planning of CBD precincts.

There is a need for this to be guided by thorough design and construction considerations to re-purpose commercial buildings, as either accommodation, small scale creative industries or community infrastructure. This will help avoid creating low quality and poorly performing developments (including poor performance on energy use) which would stand to diminish our Australian cities’ precincts.

| Recommendation 8.1 | The Australian Government commissions studies of adaptive re-use of Australia’s major cities including master planning and design and construction consideration requirements in order to re-purpose commercial buildings, for uses such as residential accommodation, small scale creative industries or community infrastructure. |
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