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Dear Director,

### **Re: Amendments to the Housing Australia Investment Mandate Direction**

Thank you for the opportunity to provide input into the consultation regarding the Amendments to the Housing Australia Investment Mandate Direction.

We welcome the establishment of the Housing Australia Future Fund Facility (HAFFF) and the National Housing Accord Facility (NHAF). Given the current national housing crisis, the forthcoming significant investments in projects to address acute unmet housing needs and increase the supply of social and affordable housing is urgently needed. Among those experiencing acute unmet housing needs are many Australians living with disability. These unmet needs are similar to those for the priority groups that have been specifically identified by the Federal Government and, therefore, people living with disability should be included and not treated as a separate segregated group. Any assumption that the National Disability Insurance Scheme (NDIS) meets the housing needs of people living with disability is incorrect. Less than four per cent of NDIS participants live in Specialist Disability Accommodation (SDA), leaving more than 96 per cent of participants – and millions more Australians living with disability who are not eligible for individual plans – to navigate the housing market or social housing options.

*Australia's Disability Strategy 2021-2031* commits the Federal Government to 'drive mainstream services and systems to improve outcomes for people with disability' (p.5) and this includes housing outcomes. The Strategy also sets as a priority that 'housing is accessible and people with disability have choice and control about where they live, who they live with, and who comes into their home' (p.10). Australia's obligations under the United Nations Convention on the Rights of Persons with Disabilities also include ensuring that housing is accessible and available to people living with disability. These outcomes will not be achieved without Federal Government leadership and a commitment to ensuring the acute unmet housing needs of Australians living with disability are included in its programs.

**Recommendation 1: In implementing programs under the Housing Australia Future Fund Facility (HAFFF) and the National Housing Accord Facility (NHAF) financing mechanisms, the Federal Government, Treasury, and Housing Australia**

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Choice and inclusion for people living with disability

**should recognise and respond to the acute unmet housing needs that many Australians living with disability are currently experiencing. The HAFF and NHAFF should prioritise funding for projects that deliver suitable accessible housing to address the shortfall in housing outcomes for people living with disability.**

Below, we make a number of recommendations regarding the draft *Housing Australia Investment Mandate Amendment (Social Housing, Affordable Housing and Acute Housing Needs) Direction 2023* with the goal of ensuring it responds adequately to the needs of Australians living with disability.

#### Addressing the shortage of accessible housing

We wholeheartedly endorse the requirement that all dwellings constructed with financing provided through the HAFF and NHAFF must comply with the National Construction Code 2022 (NCC) Livable Housing Design Standard. Unfortunately, some states and territories have made decisions to not implement the NCC Standard, to delay the start date, or to provide unnecessary blanket concessions that have no evidence base. These decisions undermine what the NCC Standard is designed to achieve, negate the efficiencies that national consistency would generate across the housing construction sector, including in supply chains, and are short-sighted given the needs of our rapidly ageing population. With more and more Australians expecting to age-in-place rather than enter aged care institutions, it is essential that steps are taken now to futureproof our housing stock, otherwise governments, individuals, and families will face the exponentially higher costs of renovations and retrofitting accessibility features in the future.

Furthermore, many Australians living with disability are currently among those experiencing acute unmet housing needs, which are made much worse by the shortage of accessible dwellings across the country. Getting by in unsuitable inaccessible housing has significant impacts on people's lives with some people currently forced to go without regular showers and/or complete personal care routines in kitchens due to being unable to access the bathroom. The 2020 study 'Lived experience and social, health and economic impacts of accessible housing', conducted by the University of Melbourne's Dr Ilan Wiesel, highlighted the broad range of consequences of inaccessible housing. Almost one third of respondents to the study's questionnaire indicated it had led to the loss of a job, a missed work opportunity, reduced work hours, or reduced productivity, while more than 80 per cent agreed or strongly agreed that they cannot visit family or friends' homes due to inaccessibility. Additionally, there is currently extreme pressure within our health systems as people are stuck in hospitals long after their clinical needs have been met because there is nowhere suitable for them to live.

For these reasons and more, **we commend the national leadership demonstrated in adopting the NCC Standard for all dwellings receiving financing through the HAFF and NHAFF irrespective of the stance taken by each state and territory government.** Although we do not have any insight into submissions to this consultation that may be lodged by other entities, we want to reiterate the importance of retaining, and in no way reducing, this commitment to ensuring all future housing meets basic accessibility requirements in the final version of the Direction. Throughout the recent process to revise the NCC, the Standard was the subject of repeated fear-mongering

and exaggerated claims of cost implications that were not substantiated by evidence or verified by independent modelling. While we hope this will not occur during this consultation, we recommend the Treasury refer to the extensive, consultative, and evidence-based process undertaken by the Australian Building Codes Board (ABCB) in formulating a sensible and reasonable NCC Standard.

**Recommendation 2: The Treasury and Housing Australia should actively defend and promote the benefits of the requirement for all dwellings constructed under the HAFFF and NHAF to comply with the National Construction Code 2022 (NCC) Livable Housing Design Standard. This requirement should not be amended as a result of this consultation.**

Notwithstanding the above recognition of the commitment in the Direction to adopting the NCC 2022 Standard, we believe there is an opportunity to go beyond this basic level of accessibility and ensure a portion of dwellings achieve a higher level of accessibility. While constructing houses to the new NCC Standard will ensure dwellings are easier to enter and move around in, provide easier access to bathrooms, and allow for further adaptations to be made, such as installing rails, building to a higher accessibility level would deliver greater access to kitchens, living areas, and bedrooms, among other aspects. This small increase in investment will pay significant social and economic dividends long into the future by reducing the impacts and exorbitant costs of people being forced to reside in hospitals or aged care institutions as our population rapidly ages. Building a portion of dwellings distributed throughout developments to a higher accessibility level should be strongly encouraged for projects receiving financing through the HAFFF and NHAF.

**Recommendation 3: The draft *Housing Australia Investment Mandate Amendment Direction 2023* should be amended to require Housing Australia to have regard for the extent to which a financing decision would increase the supply of housing that adheres to a level of accessibility exceeding the requirements of the National Construction Code 2022 (NCC) Livable Housing Design Standard, such as Livable Housing Australia's (LHA) Gold Level.**

#### Need for role clarity

The Direction sets out the eligible project proponents under the HAFFF and NHAF, including both Community Housing Providers (CHPs) and state and territory governments. During earlier discussions about the HAFFF, the focus was on CHPs delivering projects, while states and territories would contribute to increasing housing supply through their own existing funding responsibilities, as well as under new initiatives including the NHAF, the Social Housing Accelerator, and the New Homes Bonus, among others. The rationale for the change in focus is unclear. Nevertheless, it introduces new complexities, particularly if projects proposed by states and territories are assessed against those presented by CHPs, given the broader state and territory role in managing social housing and their access to sensitive information not available to other project proponents. This could give rise to potential or perceived conflicts of interest.

Additionally, we understand some state governments may have already taken steps to act as central 'independent' brokers of information regarding capacity and collaboration

on projects within their jurisdictions as they seek to harness resources to compete for funding against other states and territories. Likewise, this gives rise to concerns about how this information is used, for example, to maximise outcomes in the public interest or to advantage particular proposals of their own. If the Direction proceeds with allowing state and territory governments and/or their agencies and corporations to be project proponents, then the potential for conflicting roles and interests must be well managed and how this is to occur should be clearly articulated in the Direction. Otherwise, a lack of role clarity risks undermining trust in the process.

**Recommendation 4: The draft *Housing Australia Investment Mandate Amendment Direction 2023* should be amended to more clearly articulate roles and how the potential or perceived conflicts of interest of the states and territories will be managed.**

#### Collaboration is likely to increase the impact of outcomes

The Direction requires Housing Australia to identify eligible project proponents and promote the HAFFF and NHAF to them. We support this but urge the Treasury to consider extending this role to include connection and coordination where necessary. While we understand the HAFFF and NHAF are designed to facilitate competition between proposals to maximise value for money in outcomes, this approach also comes with potential downsides. Pitting project proponents against one another encourages siloed approaches and can inadvertently prevent beneficial partnerships from emerging. We believe the best outcomes will be achieved through balancing collaboration and competition.

We believe this is particularly important in relation to the HAFFF. It is widely understood that applications for HAFFF projects with the greatest numerical housing outcome and the tightest costings are most likely to be successful. Hence, there appears to be a strong preference for largescale projects with access to significant additional financing from sources outside the HAFFF. Yet, high-quality specialist housing outcomes, such as those for Australians living with disability and First Nations people living in remote locations, are more likely to be delivered by CHPs with specific expertise, substantial experience, and a strong track record of undertaking projects to meet the needs of these cohorts. Therefore, joint ventures or similar arrangements between larger Tier 1 CHPs and specialist Tier 2 or 3 CHPs would be expected to deliver higher quality outcomes, more social value, and greater returns on investment. This will also lead to an increase in capability and capacity across the sector through the sharing of expertise and knowledge in specialist builds, such as for high level accessible housing.

This suggests collaboration between providers with capacity to deliver at scale and providers with specific expertise is likely to increase the quality and impact of housing outcomes achieved. This approach is also much more likely to avoid forced shared living in group houses and clustering or ‘ghettoisation’ of housing for people in particular cohorts, something that has significant consequences for the likelihood that projects will create genuine inclusive communities with all the benefits these bring. Therefore, we recommend the Treasury considers how collaboration through the HAFFF can be encouraged and whether a connection and coordination role between eligible project proponents could be undertaken by Housing Australia for the purpose of maximising the

qualitative, not just quantitative, outcomes achieved by the HAFF. We also urge the Treasury and Housing Australia to consider adopting guidelines for the creation of genuine inclusive, connected, welcoming neighbourhoods and communities (the Model of Citizenship Support may assist with this and can be accessed via our [website](#)).

**Recommendation 5:** The draft *Housing Australia Investment Mandate Amendment Direction 2023* should be amended to reflect the benefits of collaboration to achieve high quality and more impactful outcomes.

**Recommendation 6:** The draft *Housing Australia Investment Mandate Amendment Direction 2023* should be amended to require Housing Australia to have regard for the extent to which a financing decision will lead to an increase in housing construction sector capability and capacity through the sharing of expertise and knowledge among joint project proponents.

**Recommendation 7:** The draft *Housing Australia Investment Mandate Amendment Direction 2023* should be amended to explicitly exclude funding for projects that produce, or are likely to encourage, forced shared living in group houses, clustered housing outcomes, or any other form of quasi-institutionalisation or ‘ghettoisation’.

**Recommendation 8:** The draft *Housing Australia Investment Mandate Amendment Direction 2023* should be amended to require Housing Australia to have regard for the extent to which a financing decision will create housing outcomes that are inclusive, achieve a genuine sense of home, and promote the creation of welcoming neighbourly communities of ordinary composition.

#### Supporting South Australia to achieve its fair share of housing outcomes

The Direction identifies the need for Housing Australia to have regard for making equitable decisions across Australia and specifies ‘including in regional, rural, and remote’ areas. We strongly endorse this. However, we suggest also making the same specification for South Australia. We acknowledge Section 10A requires Housing Australia to ‘take all reasonable steps’ to achieve a minimum outcome of 1200 dwellings in each state and territory, which is a concession negotiated primarily by Senators from Tasmania during the course of the parliamentary process to pass the legislation underpinning the HAFF. Unfortunately, due to the composition of the Senate, South Australia does not currently have the political negotiating power of Tasmania and the ACT.

We understand 1200 dwellings equates to four per cent of the intended housing outcomes. This is advantageous for Tasmania, the Northern Territory, and ACT with population shares well below four per cent but means the remaining states will, on average, receive less than their population share. This is particularly problematic for South Australia, which is the smallest state that must compete against significantly larger states for its fair population-based share. The large population base in New South Wales of 31 per cent of the total Australian population provides it with a financial capacity (and, therefore, capability for largescale projects) that far outstrips that of South Australia with



just seven per cent of the population base. This is not a level playing field upon which South Australia must compete.

We acknowledge that unmet housing needs is also a compelling barometer against which to assess the relative portion of investment in each jurisdiction. However, while this justifies additional allocations to the Northern Territory and Tasmania, the special treatment for the ACT is unwarranted. According to analysis prepared for the Community Housing Industry Association (CHIA) by the City Futures Research Centre, the ACT has the lowest percentage of unmet housing need of any jurisdiction across the country. Further, not only does the ACT have about a quarter of South Australia's population, but, according to data from the 2021 Census, it has a median income level that is the highest in the country and 63 per cent above that of people living in South Australia (\$2373 per week compared to \$1455).

**Recommendation 9:** The draft *Housing Australia Investment Mandate Amendment Direction 2023* should be amended to require Housing Australia to have regard for the extent to which a financing decision will ensure South Australia receives an allocation of projects that, on an equitable, as needs basis, will deliver its fair share of housing outcomes.

#### Enabling apprenticeships for people living with disability

The Direction ensures Housing Australia will have regard for whether projects will support increased participation by apprentices, noting 'in particular female apprentices and female trade apprentices in the building and construction industries.' We strongly believe apprenticeships for people living with disability should also be included as a specific consideration. While it is the case this type of work does not suit everyone, including some people living with disability, many others would thrive and could make valuable contributions in these industries. There is a lack of data about the employment of people living with disability in these industries specifically, however across the workforce Australians living with disability still encounter significant barriers and experience poorer employment outcomes. The HAFFF and NHAF present a valuable opportunity to promote apprenticeships for people living with disability and for the Commonwealth to take a strong lead in challenging the outdated attitudes and stereotypes that prevent Australians living with disability reaching their full potential.

**Recommendation 10:** The draft *Housing Australia Investment Mandate Amendment Direction 2023* should be amended to require Housing Australia to have regard for the extent to which a financing decision will support greater participation of apprentices living with disability in the building and construction industries.

#### Requiring public reporting

The Direction requires Housing Australia to produce quarterly reports to the Minister and lists the information that must be included in these. In the interests of transparency, accountability, and well-informed future project planning by eligible proponents, we strongly recommend a requirement should be added to the Direction whereby these reports must be tabled in Parliament and made publicly available on the Housing

Australia website in a timely manner after they are received by the Minister (for example within eight sitting days of the Minister receiving a report).

**Recommendation 11:** The draft *Housing Australia Investment Mandate Amendment Direction 2023* should be amended to require that quarterly reports to the Minister are tabled in Parliament and made publicly available via the Housing Australia website as soon as practicable after they are received by the Minister.

Thank you again for the opportunity to provide feedback to this important consultation. We are available to discuss the ideas raised in this submission further. To arrange this, please contact Tracey Wallace, Strategy Leader, JFA Purple Orange, on (08) 8373 8333 or [traceyw@purpleorange.org.au](mailto:traceyw@purpleorange.org.au).

Yours sincerely



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