



HIA Submission Residential Aged Care Bed Supply Consultation Paper

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Executive Summary

Introduction

The Housing Industry Association (HIA) welcomes the opportunity to provide feedback on the Residential Aged Care Bed Supply Consultation Paper.

HIA represents Australia's residential building industry, including the nation's largest volume home builders, apartment builders, land developers, suppliers and contractors. Our members are responsible for delivering the majority of Australia's new housing supply each year.

Australia faces a growing shortage of residential aged care places, with estimates indicating the need for approximately 10,000 additional places per year to meet projected demand from an ageing population. While this challenge is commonly viewed through the lens of health and aged care policy, HIA's perspective is that it is fundamentally a housing delivery challenge as much as a care delivery challenge.

The residential building industry possesses the capacity, expertise and delivery systems necessary to significantly increase the supply of aged care accommodation.

However, achieving this outcome requires governments to view aged care accommodation as part of a broader housing supply continuum and to adopt policy settings that provide certainty, streamline administration and leverage the delivery capabilities of Australia's established housing industry.

HIA recommendations

HIA recommends that government:

1. Recognise residential aged care accommodation as part of Australia's broader housing supply continuum.
2. Adopt policy settings that provide long-term certainty regarding aged care accommodation demand, pricing and funding arrangements.
3. Streamline procurement and administrative requirements to encourage participation by experienced volume home builders and apartment builders.
4. Improve coordination between Commonwealth and state housing, aged care and disability accommodation programs to maximise delivery efficiency.
5. Establish longer-term housing pipelines that support workforce development and industry investment.
6. Focus policy design on increasing housing delivery outcomes rather than establishing separate administrative structures for different housing categories.

Further information on these matters is outlined below.

Aged Care Accommodation should be considered part of the Housing Continuum

Australia's housing debate too often separates various forms of accommodation into distinct policy silos. Residential aged care, specialist disability accommodation (SDA), affordable housing, social housing, build-to-rent developments and mainstream housing are frequently treated as separate challenges, administered by different government departments, funding programs and regulatory frameworks.

From a construction industry perspective, however, these are all forms of housing.

Builders routinely deliver homes and residential buildings to a wide range of specifications, design standards and occupant requirements. The industry's role is to efficiently design and construct housing that meets the client's brief and regulatory requirements. Whether a dwelling is occupied by a family, a person with disability, an older Australian requiring care, or a social housing tenant is largely determined by financing, ownership arrangements, operational models and government programs rather than construction capability.

Viewing residential aged care as part of a broader housing supply continuum would allow governments to better leverage existing industry capacity and avoid unnecessary duplication of policy frameworks, procurement systems and delivery models.

A more integrated approach would recognise that increasing supply across all housing types contributes to improved outcomes across the housing system as a whole. As supply expands, competition for labour, materials and investment can be managed more effectively and builders can make long-term decisions about workforce development, business investment and project pipelines.

Industry has capacity to deliver more Aged Care Accommodation

Australia's residential building industry has demonstrated its ability to deliver housing at scale when supported by clear and predictable policy settings.

HIA's major home builders and apartment builders operate sophisticated delivery systems capable of constructing large volumes of housing across multiple markets and jurisdictions. These businesses possess significant expertise in project management, design standardisation, procurement, workforce coordination and construction delivery.

The key constraint is not whether industry can build more residential aged care accommodation. The key constraint is whether there is sufficient certainty and consistency within the policy and funding environment to support long-term investment and delivery.

Builders make decisions regarding workforce expansion, capability development and capital investment based on future demand signals. Where government programs are subject to frequent policy changes, uncertain funding arrangements, inconsistent procurement methods or lengthy administrative approval processes, industry's ability to efficiently scale delivery is reduced.

If Australia is to address a recurring shortfall of approximately 10,000 aged care places annually, governments must provide a pipeline of opportunities that gives industry confidence to invest in additional capacity.

Administrative complexity limits housing delivery

HIA members regularly observe that housing-related programs become unnecessarily constrained by administrative complexity rather than construction limitations.

Programs across aged care accommodation, Specialist Disability Accommodation, social and affordable housing and other government-supported housing sectors often involve extensive approval processes, multiple funding gateways, complex procurement requirements and long lead times before projects can commence construction.

These arrangements can unintentionally exclude some of Australia's most experienced and productive residential builders, despite those builders possessing proven capability to deliver housing efficiently and at scale.

The result is often slower project commencement, higher costs, reduced competition and lower overall housing output.

The residential building industry would benefit from:

- Simpler procurement arrangements.
- More consistent design and compliance requirements across jurisdictions.
- Greater certainty around pricing and funding programs.
- Reduced duplication of approval processes.
- Earlier industry engagement during program design.
- Longer-term project pipelines that support workforce and investment planning.

The objective should be to maximise housing delivery outcomes rather than create bespoke administrative structures for each housing category.

National coordination is essential

A recurring challenge across the housing sector is the fragmentation of housing policy responsibilities across multiple levels of government and agencies.

Different Commonwealth and state departments often develop separate housing programs with distinct objectives, funding mechanisms, reporting requirements and delivery models. While each program may be well intentioned, the collective outcome can be a fragmented system that increases complexity and reduces delivery efficiency.

Australia would benefit from a more coordinated national housing supply framework that recognises the interconnected nature of housing demand.

Whether the requirement is for aged care accommodation, SDA housing, social housing, affordable housing or mainstream market housing, the same construction workforce, supply chains, building materials and delivery industries are ultimately being relied upon.

A more coordinated approach would:

- Align housing supply objectives across governments.
- Reduce duplication in procurement and administration.
- Improve visibility of future project pipelines.
- Support industry investment and workforce planning.
- Increase competition and participation by experienced residential builders.
- Deliver more housing across all segments of the market.

Ultimately, a house is a house. The distinction between housing types is primarily determined by the funding model, ownership structure and occupant profile rather than the industry's ability to construct the building.

Conclusion

Australia's growing aged care accommodation shortfall requires a housing supply response as well as a care response.

The residential building industry has the capability to deliver significantly more aged care accommodation and make a meaningful contribution toward closing the estimated annual shortfall of 10,000 places. To achieve this, governments must move beyond fragmented housing programs and recognise aged care accommodation as part of a broader housing supply continuum.

With greater policy certainty, streamlined administration and improved coordination across housing programs, Australia's home building industry can leverage its existing scale, expertise and delivery capability to construct more homes, more efficiently, for older Australians and the wider community.

The challenge is not whether the industry can build the homes. The challenge is creating the policy settings that enable industry to deliver them.