



Enquiries: Ruth Spielman 0407 324 178
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Housing Policy Unit Manager
Social Policy Division
The Treasury
Langton Crescent
PARKES ACT 2600

By email: HousingConsultation@treasury.gov.au

Dear Sir/Madam,

RE: National Housing Finance and Investment Corporation

Thank you for the opportunity to have input into the shape of the National Housing Finance and Investment Corporation. Our main interest is in the National Housing Infrastructure Facility (NHIF) component and our comments will therefore be addressed to that aspect.

The NGAA represents nearly 5 million people who live in the fast growing outer suburbs around the nation, with populations growing at around double the national rate. These are the areas that are supplying much of the housing for Australia's burgeoning population. But they are not being adequately supported with needed infrastructure and services, impacting on the quality of life and the cost of living. Between 2011-2016 these areas accommodated 35% of Australia's population growth and 25% of jobs growth but only received 13% of infrastructure investment.

The cost of the house is only one aspect of affordability. Whether it is affordable to live there is also critical. Outer suburban residents often have limited public transport options and are paying more than other city dwellers in fuel and car repairs. Longer commuting distances and hours sitting on congested roads are common.

We look forward to the NHIF providing some assistance so that the cost of housing and the cost of living for people in the fast growing outer suburbs become more affordable. We therefore make the following comments on the consultation paper and in particular the NHIF:

- Support from the Government to build the infrastructure that is needed for increased supply of affordable housing is welcome.
- The balance of the value of each component ie loans, equity and grants, should be revisited once it is understood what types of projects are likely to be proposed and the appropriateness of the different forms of finance for them. The grants component in particular is quite small and as there may well be worthy projects that require a little more help than this allows for, it is recommended that this component be increased.



- Repayment timeframes should be set based on the nature of the project and the capacities of the organisation making repayments.
- The scope of infrastructure should be broadened. We do not think restricting it to the current categories is helpful or necessary. It is acknowledged that the money should not be spread too thinly so as to lessen its impact. But it is suggested that there are other types of infrastructure which support new housing development and make living more affordable such as community and recreational facilities. These provide services as well as jobs and reduce the need for costly travel. Broadening the types of infrastructure can also act as a demonstration of how each contributes to housing/living affordability.
- Because of the role outer growth areas play in catering for a significant proportion of Australia's housing demand and because the infrastructure is not keeping up in these areas, it is recommended that there is a priority focus for the program on population growth hotspots on the outskirts of capital cities.
- The suggestion that funding could be provided to other partners and not just to local government should be dependent on the requirements of each project and agreement by the relevant local government/s to this as well as agreement on what it is to be spent on.

If you require further information please contact NGAA's Executive Officer, Ruth Spielman, at ruth.spielman@ngaa.org.au or on 0407324178.

Yours Sincerely

RUTH SPIELMAN
EXECUTIVE OFFICER