



Manager  
Housing Unit  
Social Policy Division  
The Treasury  
Langton Cres  
PARKES ACT 2600

22 January 2018

Dear Sir / Madam

## **National Housing Finance and Investment Corporation Bill 2018**

The NSW Federation of Housing Associations (the Federation) welcomes the opportunity to provide comment on the National Housing Finance and Investment Corporation Bill 2018. We fully endorse the objects in the Bill and its explicit support of the community housing sector role.

The Federation has 98 members including all registered Tier 1 and 2 community housing providers in NSW and over 50 Aboriginal Community Housing Providers (CHPs). Together these providers manage around 40,000 homes. With the transfer of an additional 14,000 homes from the public to community housing management over the next three years, the sector will manage approaching 35% of the total social housing portfolio in NSW.

As an associate member of the Community Housing Industry Association (CHIA), the Federation has contributed to the response they have made. We endorse the points made in their submission and make a few additional comments below.

### **Definition of social and affordable housing**

We see merit in including a definition that encompasses social and affordable housing in the legislation. The term affordable housing has been subject to different interpretations and a clear definition will provide clarity. A clear definition will not preclude the bond aggregator financing a wider range of housing types – particularly where market products are being used to cross subsidise the affordable rental homes- though we are assuming the investment mandate will make clear that the prime purpose is to support more social and affordable rental housing. The definition adopted in the AHURI funded capacity study is one we support - see link.

[https://www.ahuri.edu.au/\\_data/assets/pdf\\_file/0017/12833/AHURI\\_Final\\_Report\\_No278\\_Developing-the-scale-and-capacity-of-Australias-affordable-housing-industry.pdf](https://www.ahuri.edu.au/_data/assets/pdf_file/0017/12833/AHURI_Final_Report_No278_Developing-the-scale-and-capacity-of-Australias-affordable-housing-industry.pdf) (p24).

### **Structure and Governance**

In our original response the Federation argued that the National Housing Infrastructure Facility (NHIF) and the Bond Aggregator (BA) are quite separate functions and expressed the view that in the longer term the UK's The Housing Finance Corporation was our preferred longer term model for the latter. We did however acknowledge that with sufficient independence and the right level of expertise the BA will be successful. We do recommend that the BA has its own separate advisory committee, recognising the particular skills this function requires, and the importance of it securing credibility with the finance sector.

We strongly support that the housing expertise on the NHFIC board is in the delivery and management of social and affordable housing.

### **Investment mandate**

The Federation looks forward to the opportunity to provide more detailed feedback on the Investment Mandate. We hope that there is adequate time to respond to this crucial document and a process for engaging directly with community housing providers and their representatives.

Yours faithfully.



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