

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

Via email: HousingConsultation@treasury.gov.au

Dear Mr Crawford

National Housing Finance and Investment Corporation Draft Legislation

The Property Council of Australia is pleased to provide a submission to the draft legislation to give effect to the National Housing Finance and Investment Corporation.

The Property Council's members include Australia's largest residential developers that are committed to meeting Australia's Housing needs and actively support policy choices that will improve housing outcomes.

The Property Council supports the establishment of the National Housing Finance and Investment Corporation (NHFIC) as a corporate Commonwealth entity subject to an investment mandate as proposed in the draft legislation.

The Property Council supports the key elements of the bill including the appointment of an independent, skills-based Board.

However, the success of the NHFIC will depend on the appropriate investment mandate specifying the different objectives and desired outcomes to be delivered under the 'one entity, two functions' structure for the NHFIC.

As such, the Property Council recommends that the NHFIC's investment mandate is released for public consultation.

The Property Council also queries whether the self-funding objective of the NHFIC can be purely maintained. The proposed type of infrastructure is required to unlock new housing supply does not always lend itself to equity investment opportunities and any debt provided would have to be provided at a cost lower than what can be accessed from the private sector.

The Property Council recommends that the NHFIC – to finance the National Housing Infrastructure Facility - is partly capitalised through a Federal Government program of land and asset recycling, which should be reflected in the legislation.

This approach to resourcing the NHFIC is consistent with the 2017-2018 Federal Budget announcement to release surplus Commonwealth land and is a strategy successfully deployed by the NSW Government to replenish a similar program.

If you would like any additional information on this submission, please contact Rebecca Douthwaite on 0290331936 or rdouthwaite@propertycouncil.com.au

Regards,

Glenn Byres

Chief of Policy