



AUSTRALIAN LOCAL GOVERNMENT ASSOCIATION

8 March 2018

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

Email: HousingConsultation@treasury.gov.au

Dear Sir/Madam,

ALGA Submission - National Housing Finance and Investment Corporation – draft Investment Mandate.

Thank you for the opportunity to make a submission to the draft Investment Mandate for the National Housing Finance and Investment Corporation (NHIFC).

The Australian Local Government Association (ALGA) is the voice of Local Government in Australia, representing 537 councils across the nation. ALGA's President represents Local Government as a member of the Council of Australian Governments and several other ministerial councils. In structure, ALGA is a federation of State and Territory Local Government Associations.

ALGA provided in depth feedback in October 2017, to the Consultation Paper. ALGA therefore appreciates the ongoing consultative approach taken by Federal Treasury on the development of the legislation and guidance documents for the NHIFC. This submission should also be read in conjunction with any separate submissions received from State and Territory Associations as well as individual councils.

ALGA reiterates its previous comments as being relevant to this draft mandate, in particular:

1. Councils vary considerably between jurisdictions regarding their operations, areas of responsibility, infrastructure provision, planning frameworks, and ability to access finance options. Because of this ALGA, recommends that engagement with Local Government remain a priority during the scoping and the implementation phases.
2. In some jurisdictions, councils already have access to a range of finance options. It is important that the NHIF complement rather than replace existing options through extended payback periods or deferred repayment schedules, low-cost finance, and a collaboration in the development of the facility between the Australian, State and Territory Governments and State and Territory Local Government Associations.

3. Local councils have well-developed and integrated planning systems, and many have already identified land release opportunities and infrastructure requirements in their jurisdictions. The Consultation Paper proposes that the NHIF directly fund delayed or stalled projects under a concept termed “additionality”. ALGA recommends this objective be reconsidered as it may unduly skew or undermine local planning frameworks.

As modelled by Infrastructure Australia in its recent [Future Cities Report](#), population growth in cities will increase demand for social and economic infrastructure and public open space. Housing developments without adequate transport networks or social and economic support services will not be affordable nor liveable communities.

“Governments and the community will face a series of choices about the sequencing, type and location of infrastructure to support growth. Problems arise when new developments and infrastructure are planned and delivered in isolation. A place-based approach which considers interrelated elements and the broader needs of an area can deliver better community outcomes.”¹

As outlined in the 3rd point above, ALGA reiterates that eligibility criteria for this facility should clearly support infrastructure for affordable housing in areas which are in accordance with agreed strategic planning frameworks. In addition, ALGA again asks for a broader definition of infrastructure be included recognising that new housing developments will entail increased demand for a range of local and essential community services such as parks, sporting facilities, libraries, community meeting rooms etc.

ALGA is keen to continue to be part of the consultation process. Should you have any further queries about this submission please contact Liz de Chastel, Senior Policy Adviser on 02 6122 9436 or liz.dechastel@alga.asn.au.

Yours sincerely



Adrian Beresford-Wylie
Chief Executive

¹ Infrastructure Australia [Future Cities](#) – Executive Summary P9