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*Dedicated to a better Brisbane*

16 October 2017

Housing Policy Unit Manager  
Social Policy Division  
The Treasury  
Langton Crescent  
PARKES ACT 2600  
[HousingConsultation@treasury.gov.au](mailto:HousingConsultation@treasury.gov.au)

Dear Sir/Madam

Thank you for providing Brisbane City Council (Council) with the opportunity to comment on the *National Housing Finance and Investment Corporation – Consultation Paper* (the Consultation Paper).

Council has prepared a detailed response to the Consultation Paper which is included as an attachment to this letter.

In summary, Council has identified the following key areas of concern:

- Governance – clarification is required on the role of local government in the decision-making and identification of viable National Housing Finance and Investment Corporation (NHFIC) projects. For Brisbane, alignment with outcomes expressed in *Brisbane City Plan 2014* is necessary.
- Design – emphasis is often placed on new housing in greenfield locations, however, the context of future residential development in Brisbane is predominantly consolidation of existing urban land area as outlined in the *South East Queensland Regional Plan 2017* and *Brisbane City Plan 2014*. The challenges of infill into existing communities and the quality of design must be given greater emphasis.
- Measures – it is highly desirable to capitalise on existing State and local based metrics by alignment of national housing supply metrics with Queensland Government and local government strategies and policies such as the Queensland Government's Growth Monitoring Program and the soon to be appointed Independent Expert Housing Panel.

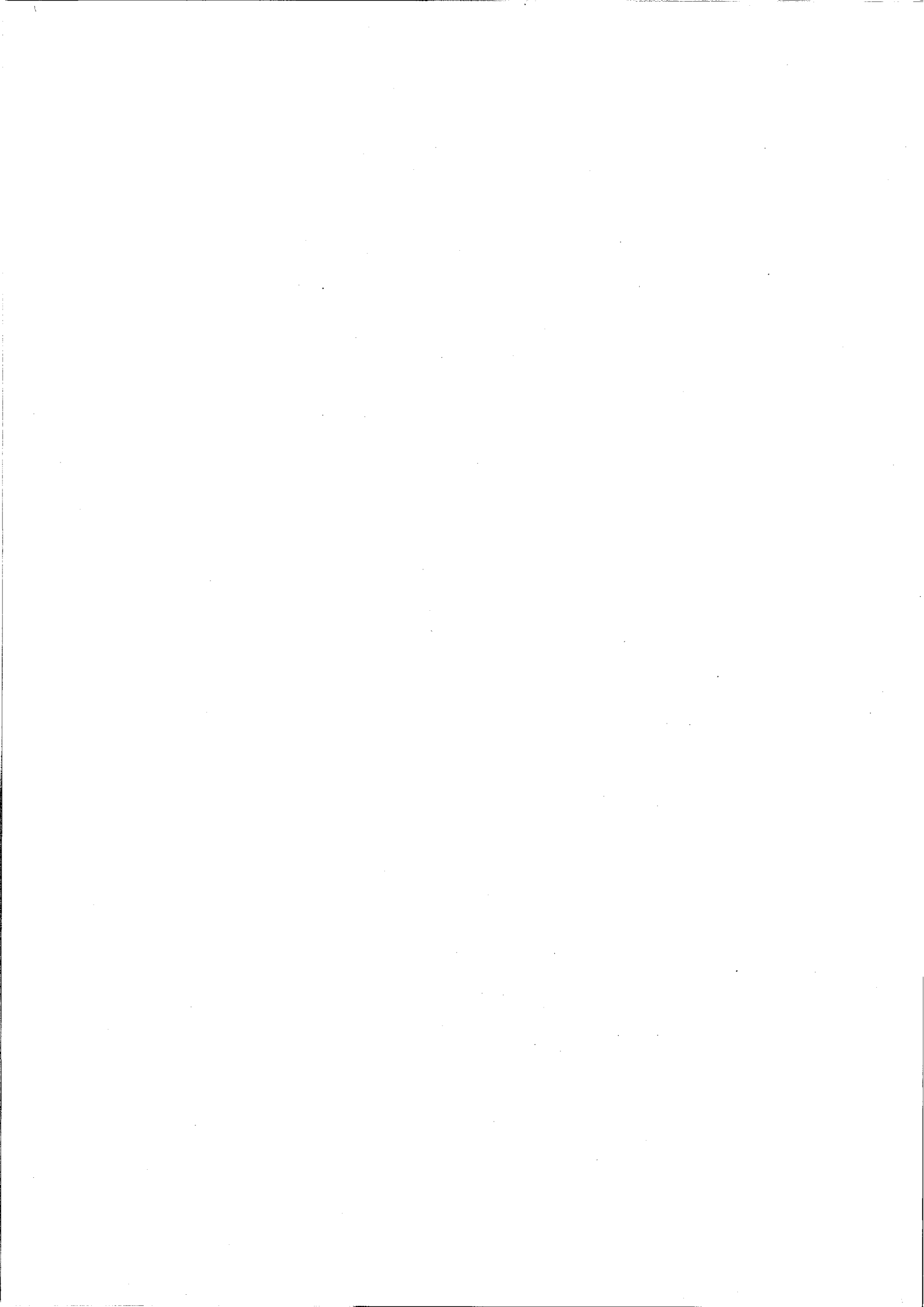
Council seeks to collaborate with the Australian Government to ensure that the NHFIC is established to operate in the best interests of all stakeholders.

If you have any queries, please do not hesitate to contact Ms Sharon Nicol, Strategic Urban Planning Manager, City Planning and Economic Development, City Planning and Sustainability, on (07) 3178 3071.

Yours sincerely

Colin Jensen  
**CHIEF EXECUTIVE OFFICER**

Encl.



## **BRISBANE CITY COUNCIL'S SUBMISSION ON THE NATIONAL HOUSING FINANCE AND INVESTMENT CORPORATION – CONSULTATION PAPER**

Brisbane City Council (Council) aligns housing supply with infrastructure provision through *Brisbane City Plan 2014* (City Plan). The Priority Infrastructure Plan and soon to be adopted Local Government Infrastructure Plan (LGIP) ensure that as our city grows, new development is well supported by infrastructure which is planned and delivered in a coordinated, efficient and financially-sustainable manner. This includes a 15-year rolling supply of zoned land that is able to be serviced within the priority infrastructure area. Long-term infrastructure that is required beyond the 15-year horizon of the LGIP is proposed to be identified through overlays in City Plan.

With Australian Government funding support for key infrastructure via the National Housing Infrastructure Facility (NHIF), it may be possible to 'bring forward' development fronts or urban infill areas that are not currently envisaged in the short-medium term due to budgetary constraints. As Queensland's capital city, there is a need for Brisbane to deliver a wide range of well-located housing for all market segments of our growing population.

Council funds, delivers and owns a range of infrastructure including roads, stormwater systems, parks and community facilities. The delivery horizon of this infrastructure factors in development contributions and Council investment. Water supply and sewer networks are operated by Queensland Urban Utilities. Upgrades to all of these systems are necessary to deliver on dwelling supply targets in a predominantly infill setting. Effective public transport is key to delivering on equitable and well-serviced housing that has access to employment and services. Council owns and develops its bus fleet; however, the Queensland Government's TransLink is responsible for the routes and timetables.

In the proposed key design features, the NHIF would give preference to 'greenfield' and 'urban infill' infrastructure projects that can demonstrate 'additionality' and which target those geographic areas experiencing particular supply and affordability pressures. Clear direction is needed on how those areas will be identified and prioritised by the National Housing Finance and Investment Corporation (NHFIC) for funding assistance. Greater access to affordable housing along growth corridors, particularly around Brisbane's 'knowledge corridor' of hospitals and universities, will provide 'live and work' opportunities for key worker groups.

The potential governance arrangements identify local government input via the NHIF, the NHFIC Chief Executive Officer, the NHFIC Board, then the Australian Government. Local governments are best placed to provide advice on potential projects in their jurisdictions. Council seeks more information on the role that local governments will play in the decision-making and identification of viable projects with the NHIF and the process for providing input into NHFIC decision-making. As previously mentioned, clear parameters around identification of additionality and need are necessary for a transparent decision-making process.

City Plan currently has sufficient capacity to achieve the residential targets under the current *South East Queensland Regional Plan 2017 (ShapingSEQ)*. The supply issues relate more to the type of housing, location and affordability, rather than the number of dwellings enabled by the planning system. There are limits to what local planning schemes can achieve in terms of the location, type and affordability of housing stock.

Brisbane's future growth is primarily consolidation (infill) with only six per cent of future dwelling supply to be provided in expansion (greenfield) areas, as outlined in *ShapingSEQ*. The consolidation versus expansion ratio for Queensland is 33% expansion and 67% consolidation. The Consultation Paper addresses a range of options including partnering arrangements and funding with conditions. Council is keen to understand the parameters around a 'mini city deal' that would provide the ability to unlock housing choice in key locations.

The Consultation Paper identifies inclusionary zoning as part of a conditional funding approach that could be used with stakeholders. Example local governments have established special-purpose vehicles (SPVs) for attracting investment to develop housing precincts. While the NHIF could potentially provide finance directly to SPVs, the local government would still be an important partner in such a transaction as it could provide the necessary zoning, land and/or supporting infrastructure. Enabling inclusionary zoning in Queensland would require changes to the planning system and legislation. While Council does not oppose inclusionary zoning, any planning reform to enable inclusionary zoning should only be explored in close consultation with local governments.

The NHIF needs to articulate value uplift and how these transactions will be partnered. For example, whether local governments would be required to make inclusionary zones and land available to support SPVs as directed by the NHIF agreements. Any potential housing projects supported by this funding model and partnership arrangements will need to be able to demonstrate market affordability. Council requests further information on how the available funding will be equitably distributed to priority projects in Brisbane.

An initiative that appears to have delivered good results in increasing affordable housing stock is the National Rental Affordability Scheme (NRAS). While not targeting infrastructure, this incentives-based approach respects local planning schemes and invites both private and not-for-profit providers to benefit from incentives for investing in building or refurbishing existing buildings to create new housing for households on low to moderate incomes. The NRAS approach is flexible for providers, investors and consumers. This kind of program can include location and housing-type criteria to target certain market demands. Council supports incentive-based programs such as the NRAS as a direct response to boost the supply of affordable rental housing.

The metrics used for assessing infrastructure bottlenecks and housing supply and affordability pressures in urban infill and greenfield settings should vary due to built-form outcomes and location. Brisbane's capital city infrastructure needs and housing affordability pressures should not be compared with greenfield development in a regional town. A tiered approach is required for metrics and the funding provided by the NHFIC to ensure equitable distribution to those areas that need infrastructure catalysts to deliver housing supply and affordability. Council maintains its own real-time data about housing supply and demand in Brisbane which can be discussed with the Australian Government.