

**Camden Council**

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EDMS: SC5232  
27 October 2017

Hussain Rajwani  
Housing Policy Unit, Social Policy Division  
The Australian Treasury  
Langton Crescent  
PARKES ACT 2600

**Via email:** [housingconsultation@treasury.gov.au](mailto:housingconsultation@treasury.gov.au)

Dear Mr Rajwani,

Council writes in response to the Australian Treasury's consultation paper regarding the proposed National Housing Finance and Investment Corporation (NHVIC) and National Housing Infrastructure Facility (NHIF).

This correspondence forms Camden Council's submission on key elements of the proposal which are intended to stimulate land release, housing supply and housing affordability, with particular regard for greenfield release areas.

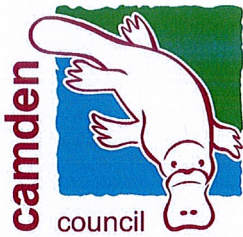
In addition to this correspondence, Council officers have provided information to Ernst and Young via a teleconference conducted on 20 October 2017.

**The Camden context**

The Camden local government area (LGA) includes the majority of the South West Priority Growth Area (SWPGA) which is expected to accommodate over 60,000 new dwellings over the next twenty years. To achieve this target, it is imperative that critical local and regional infrastructure is funded, designed and constructed in a timely and sustainable manner to support the release of land to market.

Larger developers have historically constructed most of the critical local infrastructure to support development of larger englobo land holdings in the Camden LGA via Voluntary Planning Agreements (VPAs) or WIK (Works In Kind) agreements. These agreements transfer the up-front cost of infrastructure from Council to the developers and enable the delivery of supporting infrastructure early in the development life-cycle.

However, the applicability of VPAs and WIK agreements to the development of the significantly fragmented landholdings in the SWPGA will be limited, and it is anticipated that Council will be required to play a proactive role in the funding, design and construction of critical infrastructure works in these fragmented lands into the future.



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A significant challenge in providing infrastructure is the dispersed uptake of development in fragmented landholdings, and that the level of Section 94 Contributions collected during the early stages of development does not keep pace with the cost of purchasing land and providing infrastructure. As a result, the provision of infrastructure will be reliant upon funding options which currently include:

- pooling of existing S94 funds;
- Local Infrastructure Growth Scheme (LIGS) funding under IPART approved S94 plans;
- low interest borrowings from Treasury/T-Corp; and
- Special Rate Variations (SRVs).

An opportunity exists for a large-scale, interest-free and flexible borrowing facility to help deliver the essential land and infrastructure required to support the release of land and the supply of housing in the SWPGA.

#### **NHFIC and NHIF**

The proposal to establish the NHFIC as an entity to improve housing affordability and increase land supply is broadly supported. The role of NHFIC in administering the NHIF, and the conditions under which NHIF funding will be provided, is of particular interest to Council. The NHIF could potentially play a critical role in the funding and early delivery of essential land and supporting infrastructure in greenfield release areas.

It is recommended that the following matters be considered prior to finalising any arrangements regarding the NHIF:

- The NHIF should not duplicate the existing funding/borrowing streams currently available to local government in NSW (i.e. low-cost borrowings from T-Corp or the State government).
- The NHIF should provide a point of differentiation amongst the available funding streams and should seek to reduce the financial burden on Councils when borrowing to forward-fund essential land and infrastructure.
- Traditional interest-bearing loans create an additional cost burden upon ratepayers, as the Section 94 Contribution framework does not allow Council to collect contributions to cover interest repayments on loans to fund infrastructure.
- Interest-free loans with agreed repayment plans that reflect Council's capacity to repay based upon future Section 94 Contribution income is a preferred model. Council has previously accepted loan funding under this arrangement from the NSW State government for funding key local infrastructure, and the expansion of funding under this model would be strongly encouraged.



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- A portion of the \$175m NHIF grant funding could fund the preparation of detailed designs for non-Section 94-funded infrastructure in fragmented landholdings in greenfield release areas. This approach could address a significant impediment to the development of fragmented rezoned land where there is no lead developer and where no detailed designs exist.
- The current Section 94 Contributions framework does not allow Council to collect for 'non-essential' infrastructure such as the construction of community facilities including libraries. Council contends that community facilities are essential to the creation of vibrant, connected communities and that the exclusion of these facilities from the Section 94 Contributions framework shifts the considerable cost of this infrastructure to ratepayers. Council seeks consideration of the application of NHIF grant funding towards 'non-essential' infrastructure.

Council officers would welcome the opportunity to provide further information on the issues raised in this correspondence, and to provide feedback on any further refinements to the NHFIC and NHIF model.

Should you have any questions, please contact me on (02) 4645 5122 or Peter McKenna, Manager Growth and Advocacy on (02) 4654 7800.

Regards,

David Reynolds

**Director Customer and Corporate Strategy**

#### English

"This information is important. If you need help understanding this document please call the Translating and Interpreting Service (TIS) on 131 450 and ask them to contact Council on 02 4654-7777 on your behalf."

#### Arabic

٠٢ ٤٦٥٤ ٧٧٧٧ نيابة عنك. هذه معلومات هامة. إذا كنت تحتاج إلى مساعدة في فهم هذا المستند برجاء الاتصال بخدمة الترجمة الشفهية والخطية TIS على الرقم ١٣١ ٤٥٠ وأطلب منهم أن يتصلوا بالبلدية على الرقم

#### Croatian

Ove informacije su važne. Ako trebate pomoć da biste razumijeli ovaj dokument, molimo vas nazovite Službu prevoditelja i tumača (TIS) na 131 450 i zamolite ih da u vaše ime nazovu Općinu na 02 4654 7777.

#### German

Diese Informationen sind wichtig. Wenn Sie beim Verständnis dieses Dokuments Hilfe benötigen, wenden Sie sich bitte unter der Rufnummer 131 450 an den *Translating and Interpreting Service* (Übersetzer- und Dolmetschendienst) und bitten Sie diesen Dienst, sich in Ihrem Namen unter 02 4654-7777 an die Kommunalverwaltung zu wenden.

#### Greek

Αυτές οι πληροφορίες είναι σημαντικές. Εάν χρειάζεστε βοήθεια για να καταλάβετε αυτό το έντυπο παρακαλώ τηλεφωνείτε στην Υπηρεσία Μεταφραστών και Διερμηνέων (TIS) στο 131 450 και ζητήστε τους να επικοινωνήσουν με το Δημοτικό Συμβούλιο εκ μέρους σας στο 02 4654 7777.

#### Italian

Queste informazioni sono importanti. Se vi serve aiuto per comprendere questo documento, chiamate il servizio traduzioni e interpreti (TIS) al numero 131 450 chiedendo che contatti il Comune per vostro conto al numero 02 4654-7777.

#### Maltese

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#### Serbian

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#### Spanish

Esta información es importante. Si necesita ayuda para entender este documento sírvase llamar al Servicio de Traducción e Interpretación (Translating and Interpreting Service / TIS) al 131 450 y pídale que se comuniquen por usted con el Municipio llamando al 02 4654-7777.

#### Tagalog

Ang impormasyong ito ay mahalaga. Kung kailangan mo ng tulong upang maintindihan ang dokumentong ito mangyari lamang na tawagan ang Serbisyo para sa Pagsasalang-wika at Pang-interpreter (TIS) sa 131 450 at hilingin sa kanila na kontakin para sa inyo ang Konseho sa 02 4654 7777.

#### Chinese

這是一份重要的資料。如果您在了解這份文件方面需要幫助，請致電 131 450 聯絡翻譯及傳譯服務 (TIS)，然後要求代致電 02 4654 7777 聯絡市議會。