

Our ref: LJM/NHIFSub/171020

20th October 2017

By email: HousingConsultation@treasury.gov.au

Submission to National Housing Finance an Investment Corporation Discussion Paper.

Melton City Council welcomes the opportunity to provide feedback on the National Housing Finance and Investment Corporation Consultation Paper, September 2017.

Melton City Council is one of Victoria's seven growth area Councils which are currently accommodating a significant proportion of the population growth in Victoria. The City of Melton is located to the west of Melbourne and along with Wyndham, is one of the fastest growing regions in Australia. The City of Melton has a current population of approximately 137,000 and is anticipated to grow to over 240,000 by 2031.

Melton City Council (MCC) recognises the important role that high quality affordable housing plays in creating diverse and sustainable communities. In defining housing affordability, Melton City Council considers more than just the 'house and land packages' and take into account other key factors such as access to employment and services, education and healthcare, and diversity in housing product when considering whether our communities are truly affordability. Long travel times to work and a lack of access to basic and essential services all drive up the cost of living and impact on affordability across a number of socio-economic groups, not only lower income households and also have significant detrimental impacts on the health and well-being of our community.

In recognition of this Melton City Council has delivered a number of key infrastructure projects in the early stages of development including the Western BACE a business incubator and training space aimed at creating local jobs, within a future metropolitan activity centre, a number of children and community centres, active open space and other sporting facilities.

In this context, Melton City Council are generally supportive of the direction emerging from the Discussion Paper, particularly as it relates to the National Housing Infrastructure Facility (NHIF) and provide a commentary below on each section as set out in the paper which is relevant to MCC.

Section 2: The National Housing Finance and Investment Corporation (NHIFC)

MCC are generally supportive of the proposal to create the NHIFC as a separate corporate entity and the proposed structure providing the Board is representative of all States. However, to ensure that the Corporation achieves its outcomes and delivers the best value for all communities, there should be clear criteria and mandated targets set to guide investment decisions and ensure transparency and accountability. In addition, there must be a clear directive that stipulates what would define a project that

'addresses a significant affordable housing issues' in respect of the Government's ability to direct investment, to ensure that any decision is based on the net community benefit it would achieve.

The establishment of these criteria and targets should be developed in consultation with a range of stakeholders across Australia. This engagement could be in the form of a range of state based working groups which each have a representative on a national committee that works directly with the appropriate federal government departments to develop criteria and targets which can be applied across all States.

Section 3: The National Housing Infrastructure Facility (NHIF)

Melton City Council recognises the importance of delivering enabling infrastructure to assist with housing affordability and is generally supportive of the proposed NHIF. There is significant financial pressure on Local Government to deliver a range of social and other infrastructure.

Whilst it is recognised that developer contributions provide funding towards these projects, the collection of these funds often lags significantly behind 'need' and in many cases there is a significant funding shortfall (particularly under the emerging Infrastructure Contributions System in Victoria). It is also worth noting that the delivery of this infrastructure is in addition to the delivery of key services to the community and also the renewal and maintenance of existing infrastructure.

This means that increasingly, Councils will have to take on substantial debt to service existing and emerging communities and deliver this infrastructure or delay the delivery of key infrastructure. It is well documented and accepted that a lack of critical infrastructure, community and transport, has an adverse impact on the health and well-being of the community and impacts housing affordability.

In this context, whilst MCC acknowledges that low interest finance would be of great assistance, we would recommend that the Federal Government consider a redistribution of the \$1billion and consider increasing the grant funding options and potentially decrease the loan and equity investment amounts.

In respect of the eligible projects and application process. MCC would again recommend clear criteria for what constitutes a project, clear decision making guidelines and a simple application form to ensure that Councils have the capacity to submit meaningful applications.

Melton City Council would welcome the opportunity to discuss our submission with the Government and be involved in the next stage of development of the NHIF. In the meantime, if you have any queries regarding the content of this submission please do not hesitate to contact Laura-Jo Mellan, Manager City Design, Strategy & Environment on 03 97475497 or at laurajom@melton.vic.gov.au

Yours faithfully,



Kelvin Tori

Chief Executive Officer