



# Australian Banking Association

11 January 2023

Personal and Indirect Tax, Charities and Housing Division  
Treasury  
Langton Cres  
Parkes ACT 2600  
By email: [housing@treasury.gov.au](mailto:housing@treasury.gov.au)

Dear Ms Berger-Thomson

## Housing Legislative Package

The Australian Banking Association (**ABA**) welcomes the opportunity to provide feedback on the Housing Australia Future Fund Bill 2023, National Housing Supply and Affordability Council Bill 2023 and the Treasury Laws Amendment (Housing Measures No. 1) Bill 2023, collectively referred to as the Housing Legislative Package (**Housing Legislative Package**).

Access to social and affordable housing is an intractable social challenge in Australia. Key to supporting a diverse and thriving community and economy is to unlock affordable housing options for low-income earners and frontline workers near their work.

The ABA supports the Housing Legislative Package and the establishment of the Housing Australia Future Fund as a mechanism to provide a sustainable funding source to support and increase the development of social and affordable housing. The Housing Legislative Package should also assist in alleviating critical affordable housing needs for frontline workers, older women on low incomes, family and domestic violence survivors and First Nations communities.

Australian banks have worked closely with non-profits and Government over recent years to support the social housing sector. The ABA and banks offer to work closely with the Government and other key stakeholders during the development of the investment mandate for Housing Australia to ensure it aligns with the previous recommendations of the *Statutory Review of the Operation of the NHFIC Act 2018 (Statutory Review)*, including those relating to 'crowding-in' financiers.

We also recommend that Government consider expanding the current appointments of the National Housing Supply and Affordability Council (**Council**) to include members with a strong banking or lending background, which may be critical to resolving some of the challenges to the effective delivery of social and affordable housing identified by the Treasurer's Investment Roundtable and National Housing Accord.

The ABA has highlighted key design points to strengthen the Government's proposed approach in the Appendix to this letter.

If any further information is required in relation to this submission, please contact me at [ellen.choulman@ausbanking.org.au](mailto:ellen.choulman@ausbanking.org.au) or 0430 320 701.

Yours sincerely

Ellen Choulman  
Director, Business Engagement and Policy

### About the ABA

The Australian Banking Association advocates for a strong, competitive and innovative banking industry that delivers excellent and equitable outcomes for customers. We promote and encourage policies that improve banking services for all Australians, through advocacy, research, policy expertise and thought leadership.



## Appendix

The ABA provides the following comments in relation to the Housing Legislative Package:

Bill	Comment
	<h3>Supporting 'crowding in' of the private sector</h3> <p>The ABA supports the Housing Australia Future Fund Bill 2023, which will facilitate greater investment in the social and affordable housing sector and support housing needs for frontline workers, older women on low incomes, family and domestic violence survivors and First Nations communities.</p> <p>The ABA notes the exposure draft explanatory materials at paragraph 1.65, which state that grants can be provided in relation to acute housing needs to individuals, incorporated or unincorporated bodies, not-for-profit organisations, state and territory governments and local government bodies. This proposed function could, for example, enable the Government to provide a grant of significant scale directly to almost any entity, noting the intent of the provision at paragraph 1.65 is not to be exhaustive. The Government is encouraged to carry out further consultation with industry stakeholders during the implementation of the legislation, once passed, to support the crowding in of financiers who currently operate in this market.</p> <p>The ABA also notes the final report of the Statutory Review, which recommended NHFIC be given an explicit mandate to crowd in other financiers to increase the supply of housing, particularly social and affordable housing, effected via amendments to NHFIC's investment mandate.</p> <p>The Government is encouraged to undertake close consultation with, and work alongside, banks and the private sector during the development of the Housing Australia investment mandate, particularly in relation to the disbursements Housing Australia will receive from the Housing Australia Future Fund, to ensure it supports the crowding in of financiers and aligns with the Statutory Review's recommendations. The ABA can assist in facilitating a meeting to support this, if necessary.</p>
Housing Australia Future Fund Bill 2023	
	<h3>Involvement of the banking sector</h3> <p>The ABA notes the creation of a Council to inform the Government's approach to housing policy through independent advice and options to improve housing supply and affordability.</p> <p>The Treasurer's Investor Roundtable, which includes banks and other leaders from the investment community, recently held its first roundtable in November 2022 that focused on housing. This Roundtable relied on the expertise of banks and other investment professionals to advise of barriers to investment in the housing sector and identify opportunities to partner with the Government in co-investment.</p> <p>The current Interim Council does not feature any appointee of a strong banking or lending background. Banking and lending expertise should be reflected in the Council's membership so it is underpinned</p>
National Housing Supply and Affordability Council Bill 2023	



**Bill**

**Comment**

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by the full range of expert advice that can support the task of unlocking housing stock and increasing supply.

**Increased consultation with key stakeholders**

The ABA notes the Council's proposed functions include working collaboratively with other jurisdictions and stakeholders in relation to collection and publication of nationally consistent data, which is welcomed. The ABA considers it should also be a requirement for the Council to consult and take into consideration feedback from State and Local Governments and key industry stakeholders, such as banks, on these matters as part of considering disbursement of funding. Closer collaboration with key industry stakeholders will also support greater investment to the sector to ensure the significant commitment of 30,000 new houses in 5 years is able to be delivered upon.

A strong focus on consultation and collaboration that is enshrined in legislation will be critical to reducing duplication and mismatched policies across Government. This especially so given many State Governments have their own housing supply and affordability measures in place or have foreshadowed their development. The Council is also encouraged to consider any outcomes relating to the National Housing Accord, which will bring together all levels of Government, institutional investors and the construction sector, and the Treasurer's Investor Roundtables to ensure a consistent and holistic approach to the social and affordable housing sector across Australia.

**Building standards for social housing**

The Government is encouraged to align the delivery of its social and affordable housing commitments with other reforms related to housing (such as the National Energy Performance Strategy's focus through its focus on residential stock and energy efficiency reform) to ensure that new housing is fit for purpose and of a high building standard. This will also avoid any retrofitting that may be required as a result of developments in other related policies.

It should also closely work closely with State Governments in relation to any land rezoning required to unlock housing to ensure its resilience to natural disasters, such as the recent flooding events.

Treasury                      Laws  
Amendment              (Housing  
Measures No. 1) Bill 2023