



27 September 2017

Manager
Financial Services Taxation Unit
Corporate and International Tax Division
The Treasury
Langton Crescent
PARKES ACT 2600

BlueCHP welcomes the Federal Government's commitment to affordable housing, in particular the 2017 Budget measures, designed to increase the supply of affordable housing. Community Housing Providers (CHP's) are well placed to assist the government and have the capacity to deliver new dwellings and manage tenancies.

BlueCHP is a unique CHP, focusing on the development, financing and retention of affordable housing. BlueCHP was established 9 years ago with aim of growing the supply of high quality affordable housing for key workers and those experiencing housing stress. BlueCHP holds over 750 dwellings, worth over \$300 million. BlueCHP has substantial international experience, at a board and management level, in both the development and financial sectors and is recognised within the CHP and commercial development sectors as the pre-eminent CHP development and asset manager.

The Federal Government's 2017 Budget measures including the \$1 billion National Housing Infrastructure Fund, National Housing Finance and Investment Corporation, capital gains tax incentives for investment in affordable housing, support for Managed Investment Trusts and reform of the National Affordable Housing Agreement, provide a much needed policy framework for the sector to operate within. For too long, fragment policy has prevented CHP's from investing in and growing the supply of affordable housing. Increasing the supply of affordable housing is entirely possible, however coordination and cooperation between different levels of government is essential.

The 2017 Budget measures provide this policy coordination and CHP's offer government operational capacity to coordinate implementation. Targeting of the concessions and application of Managed Investment Trusts is appropriate and supported by BlueCHP, who will ensure housing is provided at an appropriate discount to market rates, while also working to retain affordable housing for the long term. The retention and asset management of affordable housing, within a

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sustainable portfolio, is BlueCHP's aim. The CHP sector also has the capacity to borrow to finance the construction of new dwellings, while also being eligible for Commonwealth Rent Assistance. CHP's can therefore be the focal point of the intended policies.

Using CHP's as the operational centre of a new affordable housing regime, focusing on the development of new dwellings, long-term asset management and tenancies would allow state government to focus on funding, eligibility and access. BlueCHP supports the targeted measures in the Federal Government's draft legislation and looks forward to making a positive contribution to its implementation.

Yours Sincerely

A handwritten signature in black ink that reads "Charles Northcote". The signature is written in a cursive style with a large, sweeping initial 'C'.

Charles Northcote
BlueCHP CEO