

AF22/43058

The Hon. Julie Collins MP  
Minister for Housing, Minister for Homelessness  
and Minister for Small Business  
PARLIAMENT HOUSE  
CANBERRA ACT 2600

*Julie*  
Dear Minister,

We are writing to provide comments on behalf of the NSW Government on the Commonwealth Government's Exposure Draft Bills to establish the Housing Australia Future Fund (HAFF), the National Housing Supply and Affordability Council and Housing Australia.

We welcome the opportunity to review and provide comments on the Exposure Draft Bills. NSW supports the overall legislative package with the following feedback intended to support achievement of the best possible housing outcomes, including to generate, diversify and preserve more housing for people in need.

NSW values the collaborative approach between our Governments in working together to address the housing and homelessness challenges facing communities across NSW, and in delivering the national housing and homelessness agenda. NSW is concerned that there is insufficient acknowledgement of the role of the states and territories, especially the Housing and Homelessness Ministerial Council, in delivering the national reforms. In particular, the Council would be a more truly national body if the Ministerial Council was able to refer matters to it and its advice was able to inform the work of the Council, not just the Commonwealth's priorities.

To deliver the ambitious Commonwealth program, NSW urges that greater flexibility and simplicity be built into the final legislation. This will allow implementation to target a diversity of approaches, to be adjusted as different deals are developed, and to reflect changing economic circumstances and at times volatile housing markets and sub-markets. Flexibility will ensure more Aboriginal housing providers can participate and benefit and that the legislation supports our shared obligations under the Closing the Gap Agreement to develop Aboriginal Community Controlled Organisations.

Projects funded under the HAFF should not require land or other resources to be contributed from states and territories. Some NSW community housing providers could bring land to projects and they, or their investors and partners, may prefer to develop and operate projects without State involvement.

We note there is a range of other valuable contributions which could be made from states and territories, including changes to planning, zoning and land release, support for the further development of mainstream and Aboriginal community housing provider capacity, and coordination of housing supply targets.

NSW encourages flexibility to allow for direct grant funding to states for State-led projects. While the draft Bills do not explicitly preclude this, the explanatory material sets out an explicit expectation that the majority of funding will flow to Housing Australia. Given the ambitious supply targets, more flexibility may be required to efficiently generate supply and better housing outcomes within the set timeframes.

NSW housing agencies have a strong track record in delivering national initiatives and we have a mature community housing sector to partner with. There may be locations and circumstances where a mainstream or Aboriginal community housing provider is not inclined or well-placed to pursue a housing project, or where common constraints or economies of scale or procurement lean towards State-led development. Common constraints can include availability of developable land, development capacity across the private and not-for-profit sectors, sufficiency of the subsidy for project viability in diverse contexts, and local community opposition and achieving local government development consents.

NSW looks forward to working together in the development of the Investment Mandate for Housing Australia, and in the development and updating of implementation guidelines and processes.

We suggest the annual National Housing Supply and Affordability Council reports could be a way of evaluating the effectiveness and achievement of goals prior to the 5 year statutory review of the legislation. NSW would be pleased to contribute in processes to identify what is working well and what might need to be adjusted or improved in some way.

NSW suggests that some elements of the governance and decision making arrangements set out in the Bills are complex and could be simplified, and clarified.

For example, we are concerned there appear to be a number of dependencies between the advice of the National Housing Supply and Affordability Council, the Minister for Housing, the Australian Government, Future Fund Board and Housing Australia. These will be operationally challenging and time consuming to coordinate and manage.

We know from previous experience with complex and time consuming governance arrangements, that deals have been jeopardised and at times prevented from successful completion. We encourage governance arrangements and decision making processes that maximise efficient allocation and management of HAFF funds, procurement and deal making and that minimise the risk of not completing deals. Sovereign risk (decision makers changing their minds or delaying decisions) has been raised as a key concern for stakeholders from all sectors in major projects, including the Social and Affordable Housing Fund. NSW officials will continue to share with Commonwealth agencies experiences of developing and implementing new supply grants, procurement and deals, and from establishing and implementing the Social and Affordable Housing Fund.

We look forward to working with the Commonwealth, providing strategic advice to inform decision making on the allocation of funding that that will enable alignment of Commonwealth housing and homelessness priorities with key housing outcomes for NSW, articulated through the NSW Housing Strategy. This is particularly relevant for NSW to ensure new projects also contribute to sustainable housing growth, offering improved benefits to communities and local economies in NSW.

In relation to the Housing Australia and the National Housing Supply and Affordability Council, there is potential for duplication in activities and decision making related to data and research agendas. We suggest that the Housing and Homelessness Ministerial Council can provide a focus for guiding data and research to build on and maximise the value of the various housing and homelessness research bodies across the country.

NSW urges inclusion of Closing the Gap obligations, including building the capacity of the Aboriginal Community Controlled Sector in a way that strengthens existing NSW objectives and actions to grow the scale and capability of nationally registered Aboriginal providers. We would also reiterate the importance of Indigenous Data Sovereignty and Governance and encourage that this is reflected throughout the Bills.

It is unclear how the other recommendations of the NHFIC review will be implemented. We look forward to seeing the next round of draft legislation in this regard.

Thank you for the opportunity to review and provide comment on the draft exposure Bills. We note our agencies have met and are providing detailed advice on the Bills and explanatory materials. NSW looks forward to working with the Commonwealth to deliver much needed additional social and affordable housing in NSW

Yours sincerely,



**The Hon. Natasha Maclaren-Jones MLC**  
Minister for Families and Communities  
Minister for Disability Services  
A/Minister for Planning  
A/Minister for Homes