

SUBMISSION TO SENATE LEGISLATIVE ECONOMICS COMMITTEE

FROM

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TO

Mark Fitt
Secretariat
Senate Economics Legislative Committee
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Dear Mr Fitt

**Inquiry into the National Housing Finance and Investment Corporation Bill 2018 and;
the National Housing Finance and Investment Corporation (Consequential
Amendments and Transitional Provisions) Bill 2018**

We have previously made submissions to Treasury regarding both the draft Bill and
Investment Mandate.

As a result, we were contacted by the Secretariat and asked if we would like to lodge a
submission to the Committee.

National Housing Finance and Investment Corporation Legislation

We are keen to see the establishment of NHFIC and the Bond Aggregator no later than 1
July 2018 as is currently planned. We believe that the draft legislation is fit for purpose as it
is currently drafted and does not require amendment. We are particularly concerned that the
commencement of the legislation and the establishment of NHFIC and the Bond Aggregator
not be delayed.

**Recommendation: Adoption of the National Housing Finance and Investment Corporation
Bills as currently proposed.**

Investment Mandate

It is our strong preference that the Investment Mandate be issued as a Ministerial Direction.
The Investment Mandate is still in draft form and we have made a small number of
recommendations for changes. We anticipate that given this is new direction in funding
affordable housing that further changes may be needed to the Investment Mandate as new
concepts and proposals emerge. The Investment Mandate by Ministerial Direction would
allow these changes to be readily adopted.

We are very concerned that the Investment Mandate **not** be done by Regulation; this would make the Investment Mandate inflexible now and in the future. If the Investment Mandate were to be by regulation it would not be possible to commence the proposed Legislation by 1 July 2018 due to the requirement for regulations to be tabled in both Houses for 15 sitting days. We see no value in delaying the legislation and significant detriment to the community who are predominantly the homeless and social welfare recipients.

The Community Housing Sector has a lived experience of the National Rental Affordable Housing scheme operating via Regulation; this made the scheme inflexible and difficult to operate and respond to required changes.

This will be particularly important in the establishment phase of NHFIC as it will allow it to be more adaptable and responsive to the Community Housing Sector's needs.

Recommendation: For the Investment Mandate to remain under Ministerial Direction, and not be changed to a Regulation.

We are very happy to attend a hearing of the Committee to discuss any of these points with the Committee.

Yours sincerely

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