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Dear NHFIC Secretariat

Please find below a number of points we would like to contribute to the review of NHFIC. National Shelter appreciates the opportunity to contribute its thoughts to this review. We will mainly discuss the role of NHFIC in relation to the community housing sector however we acknowledge NHFIC now has a wider brief with the inclusion of the First Home Deposit Scheme in its ambit.

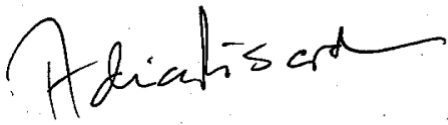
- In future it would be appreciated if more time could be given to considering our views as being a national body with state and national members it would have been good to be able to involve our members, many of whom are direct users of NHFIC, and provide more substantial input to this important review.
- NHFIC has been a welcome piece of 'architecture' in the development of the community housing sector with its ability to finance construction and operations. Any mechanism which lowers the cost of borrowing helps to make the limited resources of the community housing sector go further and results in better organisations and improved capacity to put much needed social housing on the ground.
- The current role of NHFIC is limited in terms of adding social and affordable housing because its role doesn't go beyond a refinancing role. We have been made aware this has potentially limited the role of other banks in financing social and affordable housing by creating a lower cost financing monopoly which could limit competition among lenders and narrow the range of financiers inputs to how to develop social and affordable housing.
- NHFIC would be complemented by the establishment of a capital program to meet the gap between the cost of construction and the rents allowable under the National Regulatory System for Community Housing and State Housing Authority rent setting policies. This would also work to meet the return on investment gap for equity investors which National Shelter prefers to see as a rental gap for housing occupants.
- The government guarantee with which NHFIC operates is important to continue as it provides a de-risking of community housing development in the eyes of builders, other financiers and governments.
- NHFIC should expand its range of options into things like shared equity programs along with CHPs holding the equity share backed by an additional guarantee or even better a capital program to hold the equity share. This could build on the role NHFIC has with the First Home Deposit Scheme which is structured partly as a shared equity program.
- NHFIC could (in the absence of a National Housing Supply Council or like body) build its research capacity and conduct an audit of social and affordable housing which could be monitored live, to account for sales and acquisitions and compare that with available research on need projections.
- The NHFIC could establish a virtual land bank of land owned by NFPs or other agencies (states, local government e.g.) which might be made available to CHPs for social and affordable housing development, which could create the subsidy gap in land from NFPs, states or local councils etc and create a land supply available for potential development of

social and affordable housing. This could combine with the \$1b National Housing Infrastructure Fund to establish a long-term pipeline of developable land available to affordable and social housing.

- I also think the Board and management of NHFIC is constrained by not having any consumer representation and insufficient housing expertise from the community sector.
- What NHFIC can do is constrained by the absence of a capital program which would enable it to unlock billions from superannuation funds if it could marry up borrowing with equity and a 'gap filler' capital fund, along with available land from a virtual land bank.

Again, thanks for the opportunity to contribute these few points and I hope the review results in a better NHFIC.

Sincerely

A handwritten signature in black ink that reads "Adrian Pisarski". The signature is written in a cursive style with a long, sweeping underline.

Adrian Pisarski

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