

## **Housing Australia Investment Mandate – Tasmanian Submission**

### **Eligibility for HAFFF and NHAF (Sections 28F and 28S)**

- Tasmania welcomes the inclusion of state and territory owned organisations as eligible project proponents in the Investment Mandate.
  - *We believe that Homes Tasmania as an independent statutory authority is an eligible project proponent as a constitutional corporation and State-owned entity, but would seek formal confirmation from the Australian Government that Homes Tasmania is an eligible project proponent under your requirements and definitions.*
- There is a strong relationship with community housing providers in Tasmania, and Homes Tasmania would like to be consulted regarding any proposed projects under the HAFFF and NHAF to ensure that projects are complementary to Tasmania's social and affordable housing system, demonstrate housing need in the jurisdiction, fit with master plans for communities, and are staged to ensure appropriate workforce capacity and funding.
- Tasmania supports Tier 1 and Tier 2 registered community housing providers under the National Regulatory System for Community Housing (NRSCH) being eligible as there are appropriate regulatory risk management arrangements in place to manage development risk. Tier 3 providers are not regulated for development risk at this point, and this represents a risk to Housing Australia and the jurisdiction in which they will deliver services particularly if the jurisdiction is relying on those projects to house clients from the Social Housing Register.
- Tasmania is supportive of Indigenous community housing organisations being eligible project proponents as entities that have the primary purpose of improving outcomes for Aboriginal and Torres Strait Islander people.

### **Financing Mechanisms (Sections 28H and 28U)**

- Tasmania requests that further clarity is included in the Investment Mandate on the timeframes and counting rules for financing. This should include the types of financing and when payments are made, such as entering a contract or making the dwelling available for tenancy. For example, how the construction phase is proposed to be funded. Our assumption is that this will be a different funding arrangement. And that the availability payment funding arrangement comes into play when the dwellings are ready to be tenanted.
- The type of financing and provision of payments is extremely important for project proponents to understand when funding becomes available and what other borrowing/leverage of financing is required to support the projects.

### **Multiple Applications**

- The draft Investment Mandate restricts loans and grants being paid to entities if they have applied for a loan or grant. This may limit the flexibility of co-funding arrangements. Tasmania recommends that the Investment Mandate does not include any wording which prevents multiple projects being presented to Housing Australia.

### **Timeframe for Investment**

- The Investment Mandate does not clearly articulate the timeframes for funding and potential 25-year subsidies under HAFFF.

- Tasmania considers it important to include the timeframes of the initiative and approach when the initiative ends including the management, ownership and transition of properties, and support for sitting tenants.
- Tasmania suggests there should be an option for some providers to dispose or repurpose the asset at 25 years and notes that this would require a different pricing approach.

### **Construction Compliant (Sections 28E and 28R)**

- It is noted that HAFFF projects are construction compliant if they comply with the National Construction Code 2022 (NCC) relating to energy efficiency and liveable housing design, and that NHAF projects are construction compliant if they comply with the NCC relating to energy efficiency (or a different standard if that applies in the jurisdiction).
- These requirements do not align with the current approach in Tasmania. Whilst we endeavour to meet requirements where possible, The Tasmanian Government has committed to transitioning to liveable (accessible) housing provisions from 1 October 2024. Consideration of the 7-star Nationwide Housing Energy Rating Scheme (NatHERS) energy efficiency rating provisions will be deferred until the next iteration of the NCC in 2025.
- These requirements therefore need to be flexible to meet the needs of each jurisdiction.
- More appropriate wording of the Investment Mandate is therefore suggested as consistent for both HAFFF and NHAF:
  - *A dwelling is HAFFF/NHAF construction compliant if it meets or exceeds all current requirements under the National Construction Code relevant to the jurisdiction in which it is constructed.*

### **Value for Money (Sections 28D and 28Q)**

- The Investment Mandate requires that the project delivers value for money, in terms of the amount of housing delivered as compared to the amount of government support provided. Tasmania recommends that the Investment Mandate considers flexibility of projects in delivering appropriate person-centred housing outcomes.
- It may not be appropriate to base assessment on value for money when different typology of homes and regional variations across jurisdictions may result in a higher cost but positive housing outcome.
- This is particularly relevant when larger homes are required for families, or housing outcomes may be required for specific cohorts with limited income such as people experiencing family violence or young people.
- Tasmania requests that the value for money provision be worded as:
  - *the project delivers value for money, balanced with appropriate demonstration of housing need and positive housing outcomes, in terms of the amount of housing delivered as compared to the amount of government support provided.*

### **Demonstration of Housing Need**

- The Investment Mandate refers to housing need and unmet housing needs as reported or advised by the National Housing Supply and Affordability Council.
- As previously mentioned, Homes Tasmania would like to be consulted regarding any proposed projects under the HAFFF and NHAF in Tasmania to ensure that projects demonstrate housing need and positive housing outcomes in the jurisdiction.

### **Australian Defence Force Housing (Sections 28F and 28S)**

- The Investment Mandate effectively includes Defence Housing Australia as an eligible project proponent.
- It is unclear how Defence Housing Australia would fit with the intent of the HAFFF and NHAF in providing social and affordable housing.
- It is also of concern that jurisdictions may be competing with Defence Housing Australia for funding and the provision of the minimum 1 200 homes.
- Tasmania considers the provision of grants and loans in support of Defence Housing Australia homes as an existing Commonwealth obligation that is unrelated to the HAFFF and NHAF.
- Tasmania is supportive of projects which ensure provision of housing to support veterans experiencing or at risk of homelessness or in need of social and affordable homes in the HAFFF and NHAF to be delivered by eligible project proponents other than Defence Housing Australia.

### **Program Guidelines and Assessment Process**

- Tasmania would welcome any further involvement in consultation regarding the details of the program guidelines and assessment process.