

13 January 2023

Housing Branch
 Personal and Indirect Tax, Charities and Housing
 Revenue, Small Business & Housing Group
 The Treasury, Langton Crescent, Parkes ACT 2600

By email: housing@treasury.gov.au

Dear Sir / Madam

Re: Review of the draft Housing Australia Future Fund (HAFF) Bill 2023; National Housing Supply and Affordability Council Bill 2023; Treasury Laws Amendment (Housing Measure No.1) Bill 2023 ('the draft Bills') and the Exposure Draft Explanatory Materials

Cbus welcomes the opportunity to provide feedback on the draft Bills.

Background

Established in 1984, Cbus is the industry superannuation fund for the built environment. Cbus invests back into the construction and building industry, which not only provides strong long-term investment returns, but helps boost our economy and create jobs within the industry.

As of 30 June 2022, Cbus has over

- 850,000 members
- 210,000 employers
- \$70 billion in funds under management.

Housing

As we have consistently indicated throughout recent Treasury consultation processes, most recently in the review of the National Housing Finance and Investment Corporation (NHFIC) in January 2021, Cbus believes that access to secure and affordable housing is an important part of ensuring a dignified and comfortable retirement. Superannuation funds can, and should, play a role in helping to improve the supply of affordable housing for Australians by investing in this area while simultaneously achieving an appropriate risk adjusted return for members. This is consistent with our mission to put members' best financial interests first.

Super funds can provide an important source of capital to partner with government to help resolve this longstanding policy issue which affects so many Australians.

In our view, addressing housing affordability requires intervention to tackle issues around supply, and as the Australian population increases, we need to build more dwellings and more infrastructure. The proposed introduction of the HAFF is a very welcome and positive initiative to assist in solving the supply shortfall.

As a large-scale investor, Cbus is interested in playing a role in helping to deliver positive housing outcomes for Australians. Cbus is a patient provider of capital with a strong focus on the



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sustainability and innovation of the investments we make, with a particular emphasis on the built environment.

Cbus has been active in discussions around affordable housing area for many years and was a strong advocate for the establishment of NHFIC and the bond aggregator concept. Since the inception of the bond aggregator in 2019, Cbus has invested approximately \$150M in NHFIC issued bonds.

More recently, Cbus has participated in a consultative group of investors in discussions with NHFIC and other stakeholders around how the earnings from the HAFF (preserving the capital for future generations), can be best utilised to fund the development of new social and affordable housing.

Our feedback in relation to the Draft Bills, attached, relates predominantly to independent analysis we have undertaken, and the understanding we have gained through this consultative process, in terms of the likely capital investment to be sought and attracted from institutional investors to meet the Government's objective of constructing 30,000 new social and affordable homes in the first five years from the establishment of the HAFF.

Please contact Brett Chatfield, Deputy Chief Investment Officer on +61 437 219 671 if you have any queries in relation to our submission.

Yours faithfully,




Justin Arter
Chief Executive Officer