



**The Hon Tanya Plibersek MP
Minister for Housing
Minister for the Status of Women**

06 OCT 2008

MC08-025497

Mayor Paul Pisasle
President
Urban Local Government Association of Queensland Inc
c/- Ipswich City Council
PO Box 191
IPSWICH QLD 4305

Dear Mayor Pisasale

Thank you for your letter of 14 August 2008 to request funding for the Urban Local Government Association of Queensland to establish a subsidy scheme to alleviate the pressure on affordable housing within local councils.

While the Commonwealth Government does not provide direct funding to Local Government to develop affordable housing strategies, I encourage all councils represented by the Urban Local Government Association of Queensland to consider taking advantage of the opportunities presented by the \$512 million Housing Affordability Fund, a new initiative that was announced in the May budget.

The Housing Affordability Fund (HAF) will address two significant barriers to increase the supply of affordable housing:

- the 'holding costs' incurred by developers as a result of long planning and approval times, such as interest paid to banks while waiting on development decisions by councils; and
- infrastructure costs, such as the laying of water pipes, sewerage, transport, and the creation of parks.

On Monday, 15 September 2008, the Prime Minister, the Hon Kevin Rudd MP, and I launched Expressions of Interest for HAF funding, and announced the first call for Round One applications. We are seeking applications for funding from Local Governments, local government associations and State and Territory Governments to

Money will be targeted to areas with high demand for new housing, and can be used for both greenfield and infill developments. An initial \$30 million from the Fund is being used to roll out electronic development assessment systems (eDAs) and online tracking services to reduce red tape and streamline planning approval processes.

Further information on the Housing Affordability Fund is on the Department of Families, Housing, Community Services and Indigenous Affairs website at www.fahcsia.gov.au/internet/facsinternet.nsf/housing/haf.htm.

Once again, thank you for writing.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Tanya Pliberssek', written in a cursive style.

Tanya Pliberssek

25-9-08