



# Delivering social and affordable housing under the Housing Australia Future Fund and National Housing Accord

The Housing Australia Future Fund (HAFF) and the National Housing Accord (Accord) are initiatives to deliver the Government's commitment of supporting more social and affordable homes across Australia. Together, the HAFF and Accord will support the delivery of 40,000 new social and affordable homes over five years, will help encourage institutional investment in social and affordable housing and contribute to the development of the community housing sector. The HAFF and the Accord are an important part of the Government's ambitious housing agenda.

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## The Government's Social and Affordable Housing Agenda

The Government has committed to increasing the number of social and affordable homes to address the shortage of housing options for those in need. This includes:

- Establishing the **Housing Australia Future Fund** (HAFF) to provide an ongoing funding mechanism for social and affordable housing, and to address acute housing needs. In its first 5 years, the HAFF will support delivery of 20,000 social homes and 10,000 affordable homes across Australia. The HAFF will be credited with \$10 billion soon after the commencement of the Fund on 1 November and will be managed by the Future Fund Board of Guardians.
- Striking the **National Housing Accord** between the Commonwealth, states and territories, local government, institutional investors and the construction sector to support the delivery of quality affordable housing supply over the medium term. Among other commitments, the Commonwealth has committed to support an additional 10,000 affordable dwellings over 5 years from 2024.
- Expanding the **National Housing Infrastructure Facility** (NHIF) to make available up to \$575 million in concessional loans and grants for social and affordable rental housing in addition to critical infrastructure underpinning housing supply, and injecting an additional \$1 billion in federal funding to support more social housing. Projects are already under construction as a result of the initial expansion.
- Providing \$2 billion under the **Social Housing Accelerator** to the states and territories to deliver thousands of new social homes across Australia.

## Funding under the HAFF and the Accord

### Funding process

Housing Australia, the Commonwealth's independent housing authority, will be responsible for supporting the delivery of 40,000 social and affordable homes under the HAFF and the Accord.

Eligibility criteria and other matters outlining how Housing Australia may provide support for HAFF and Accord targets will be set out in the Housing Australia Investment Mandate Direction 2018 (previously the National Housing Finance and Investment Corporation Investment Mandate Direction 2018), a legislative instrument made by the Housing Minister. Treasury is currently consulting on exposure draft legislation making amendments to give effect to these changes for a period of 2 weeks. More information can be found here: [Amendments to Housing Australia's Investment Mandate Direction | Treasury.gov.au](#).

Housing Australia will seek applications for funding from eligible project proponents for HAFF and Accord financing through funding rounds. Further guidelines and other associated documentation for interested applicants will be made available following finalisation of the Investment Mandate Direction. Housing Australia will assess these applications in accordance with the Investment Mandate Direction and will make offers of financial support to successful project proponents.

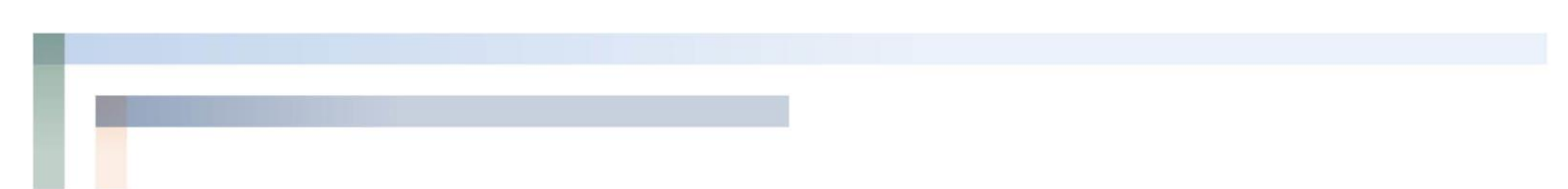
### Financial support

The Housing Australia Investment Mandate Direction will allow Housing Australia to provide loans, grants or a combination of the two to eligible project proponents to support social and affordable housing projects. Grants can either take the form of upfront capital to support project financing at the project delivery stage, or ongoing service payments for making housing available on agreed terms ("availability payments").

The Government will provide Housing Australia with flexibility to employ a range of different financing and funding arrangements, dependent on the specific circumstances of each individual project. In deciding whether to provide financing to a project, the Housing Australia Board will be directed through the Investment Mandate Direction to consider a range of criteria determined by Government. Financing arrangements may include:

- **Availability payments.** These arrangements will include provisions for Housing Australia to make regular, ongoing payments to eligible funding recipients for a period of up to 25 years if housing is made available on agreed terms. Availability payments provide eligible funding recipients an ongoing, government-backed income source to help close the gap between the commercial cost of developing, supplying and maintaining social and affordable housing and the rent they receive from tenants.
- **Concessional loans.** These will be used to provide upfront financing to eligible project proponents. The loans may be offered on a highly-concessional basis, including interest-free, for terms of up to 25 years. The loans may be available where required to support a project's viability, and the amount will vary on a project-by-project basis.
- **Upfront capital grants** may be available to support some social housing projects. It is intended that this financing type be prioritised for smaller, regional or remote projects, where private financing cannot be sourced, to ensure support under the HAFF and Accord programs is able to reach a range of cohorts and geographic areas in need.

In conjunction with the above, projects may wish to leverage support from other Housing Australia programs such as the Affordable Housing Bond Aggregator (AHBA) or the NHIF. Through the AHBA, Housing Australia provides low-cost finance to registered community housing providers (CHPs) for social and affordable housing projects. The NHIF offers concessional loans and grants for critical infrastructure to unlock housing supply and



directly support new social and affordable housing. Further information on these programs is available at [www.housingaustralia.gov.au](http://www.housingaustralia.gov.au). Eligible projects may also leverage financial and in-kind contributions through State programs and other sources.

## How to engage

Exposure draft amendments to the Housing Australia Investment Mandate Direction are available on the Treasury website here: [Amendments to Housing Australia's Investment Mandate Direction | Treasury.gov.au](https://www.treasury.gov.au/Amendments-to-Housing-Australia-s-Investment-Mandate-Direction). Submissions on the exposure draft amendments should be directed to Treasury by 8 November 2023.

The Government anticipates that application for funding through the HAFF and Accord programs will open as soon as practicable following registration of the Investment Mandate Direction.

In the lead-up to the launch of the HAFF and Accord programs, Housing Australia will engage with stakeholders and potential applicants through industry-wide briefings. To register your interest you can email [inquiries@housingaustralia.gov.au](mailto:inquiries@housingaustralia.gov.au).