Australian Government
The Treasury

$1 billion increase to the National Housing Infrastructure Facility

The National Housing Infrastructure Facility (NHIF) is a part of the Government's initiatives to deliver the commitment of supporting more social and affordable homes across Australia. The $1 billion increase to the NHIF originally announced in 2023, will now be directed to support crisis and transitional accommodation for women and children experiencing domestic violence, and for youth experiencing homelessness.

Background

The National Housing Infrastructure Facility (NHIF) is administered by Housing Australia, a corporate Commonwealth entity responsible for delivering key programs which are part of the Government's housing agenda.

The NHIF was established in 2018 to provide finance for eligible housing-enabling infrastructure projects required to support the delivery of new housing, particularly affordable housing. In 2022, the Government expanded the remit of the NHIF for more flexible use, allowing $575 million of funds to help unlock the supply of new social and affordable dwellings.

In September 2023, the Government announced it would increase the NHIF by $1 billion to provide finance for new social housing.

In the 2024-25 Budget, the Government committed to targeting this additional $1 billion for the NHIF towards crisis and transitional accommodation for women and children experiencing domestic violence, and crisis and transitional accommodation for youth. The $1 billion increase to the NHIF comprises of $700 million for grants and $300 million for concessional loans.

The $1 billion will be allocated to states and territories on per capita basis with a minimum funding floor of $25 million for the Australian Capital Territory, Northern Territory and Tasmania (the same allocation basis as the Housing Support Program (Priority Stream)). The state and territory funding allocation will be in place for 12 months. After the time limit expires, unused funding will be available for eligible project proponents in any state and territory to apply to Housing Australia for.

The amendments to the *Housing Australia Investment Mandate Direction 2018* (Investment Mandate) implementing this commitment would be supported by funding guidelines developed by Housing Australia. The funding guidelines for this program would provide further information on the application process, conditions and other considerations.

Policy and program objectives

Access to secure and stable across the housing spectrum is a critical factor determining an individual's social and economic outcomes. This policy reflects the acknowledgement from National Cabinet on the importance of safe and accessible accommodation for women and children experiencing family and domestic violence, and youth.

Consultation Questions

Please consider the following questions in preparing your submission.

1. Reflections on the policy merits

Access to secure and stable across the housing spectrum is a critical factor determining an individual's social and economic outcomes. This policy reflects the acknowledgement from National Cabinet on the importance of safe and accessible accommodation for women and children experiencing family and domestic violence, and youth.

Question 1

What are the merits of targeting additional funding towards crisis and transitional accommodation as part of the broader mix of acute and social housing?

2. Definitions

The funding will be available for projects increasing the supply of:

- crisis and transitional accommodation for **women and children** experiencing domestic violence, or are experiencing, or at risk of homelessness; and
- crisis and transitional accommodation for **youth**, where youth refers to persons aged 16 to 24 years who are experiencing domestic violence, or are experiencing, or at risk of homelessness.

Question 2

Are the definitions for crisis and transitional accommodation in the draft Investment Mandate amendments appropriate, and separately, are the definitions of the cohorts of women and children, and youth appropriate?

3. Eligible Project Proponents

Finance under the NHIF is currently available to registered community housing providers; state, territory or local governments; government-owned investment corporations; utility providers (applicable for the NHIF housing-enabling infrastructure projects); and incorporated special purpose vehicles that have at least one eligible foundation member. All entities with the exception of states, territories and local governments must also be constitutional corporations.

The eligible project proponents reflect the original purpose of the NHIF being for housing-enabling infrastructure underpinning housing supply, which include states and territories, local government and state and territory owned utility providers, in addition to registered community housing providers. These eligible project proponents were maintained when the original $1 billion in the NHIF became available to directly support social or affordable housing.

The additional $1 billion is further targeted to crisis and transitional accommodation for women and children experiencing domestic violence, and for youth.

Question 3

Is the existing list of eligible project proponents for NHIF (Critical Infrastructure) and NHIF (Social and Affordable Housing) appropriate for the expansion of the NHIF for crisis and transitional accommodation? Are there any other project proponents that should be considered?

4. Funding mix for the additional $1 billion

A sufficient subsidy, such as high proportion of grants is important for social housing and specialist housing (such as crisis and transitional accommodation), due to the nature of this housing requiring high upfront capital and a lack of revenue stream through rent to recoup costs.

The funding composition of the $1 billion increase to the NHIF for crisis and transitional accommodation consists of $700 million for grants, $300 million for concessional loans.

Question 4

How could project proponents use this funding mix, and how could project finance be structured to draw on both grants and concessional loans?

5. Time limited state and territory funding allocations

The funding allocations by state and territory would be guaranteed for a 12-month time period, from one month after the Investment Mandate amendments commence. After the time limit expires, any unused funding would be available to eligible project proponents from any state or territory to apply for.

Question 5

What impacts would a time limit for state and territory funding allocations have on project proponents or projects that would come forth for the funding. What are the benefits and unintended adverse consequences?