

HOUSING AUSTRALIA FUTURE FUND AND THE NATIONAL HOUSING ACCORD

Headline Statement

- Outcomes from Round 1 of the Australian Government's Housing Australia Future Fund (HAFF) and National Housing Accord (the Accord) program were announced on 16 September 2024. The initial pipeline of projects includes more than 4,200 social and 9,500 affordable homes.
- Round 2 of the HAFF opened on 16 December 2024, and closed on 31 January 2025. The partnership with states and territories will aim to expedite the delivery of up to 5,000 social dwellings. Projects are currently being assessed and Housing Australia will have more to say in the coming weeks.

Round 1 Outcomes

- Outcomes of Round 1 for the HAFF and Accord were announced on 16 September 2024.
- The preferred projects under Round 1 will support investment of up to \$9.2 billion in social and affordable housing, with the pipeline expected to deliver more than one-third of the Government's 5-year target of 40,000 social and affordable homes.
- The preferred projects include more than 4,200 social and 9,500 affordable homes.
- On 31 January 2025, Housing Australia announced that the first tranche of contracts had been signed, enabling 12 projects to proceed that will build or acquire more than 240 social and 570 affordable homes. Housing Australia is continuing to negotiate with remaining proponents to agree contractual terms.

Round 2 status

- Round 2 of the HAFF was open from 16 December 2024, and closed on 31 January 2025.

Contact Officer:

Name: S 22
Division: Housing Division
Telephone: S 22
Last updated: 11/02/2025 12:22:00 PM

- The partnership with states and territories will aim to expedite the delivery of up to 5,000 social dwellings.
- Housing Australia received a strong response and applications are currently being assessed.

Future funding rounds

- The HAFF will support new social and affordable homes over multiple funding rounds in coming years.
- The Government recognises the urgent need to investment in new housing to be rolled out as soon as possible.
- Housing Australia is expected to commence funding Round 3 in mid-2025.
- The Minister for Housing has worked closely with Treasury and Housing Australia to identify and implement learnings from Round 1 and 2.

Policy Commitments

- At the 2024-25 Budget, the Government committed to \$1.9 billion in additional concessional financing for community housing providers and other charities to deliver new social and affordable dwellings under the HAFF and Accord.
- Within the first 5 years of the HAFF, the Government has committed to:
 - 20,000 social homes;
 - 10,000 affordable homes;
 - \$200 million for the repair, maintenance and improvements of housing in remote Indigenous communities;
 - \$100 million for crisis and transitional housing options for women and children leaving or experiencing domestic and family violence and older women who are at risk of homelessness; and
 - \$30 million for housing and fund specialist services for veterans experiencing homelessness or at risk of homelessness.
- The first annual disbursement in 2024-25 included:
 - \$6.4 million to Housing Australia to fund availability payments and \$269.1 million to fund grants for social housing;

- \$100.0 million to the National Indigenous Australians Agency for the repair, maintenance and improvement of housing in remote Indigenous communities;
 - \$100.0 million to the Department of Social Services for crisis and transitional housing for women and children impacted by family and domestic violence and older women at risk of homelessness; and
 - \$24.0 million to the Department of Veterans Affairs to build housing for veterans who are experiencing homelessness or are at-risk of homelessness.
- Within the first 5 years of the Accord, the Government has committed to supporting 10,000 affordable homes, which must be matched by the states and territories.
 - The Government has also committed that a minimum of 1,200 new social and affordable dwellings will be made available in each state and territory.

Background

- The Housing Australia Future Fund (HAFF) was a 2022 election commitment. The HAFF aims to address the shortage of social and affordable homes in Australia, as part of the Government's broader housing agenda.
- Legislation to create the Fund was introduced to Parliament on 9 February 2023, passing both houses on 14 September 2023. The Fund was established on 1 November 2023.
- The Future Fund Board of Guardians is responsible for investing the HAFF within specific parameters set by the Treasurer and Finance Minister in the HAFF Investment Mandate, including the targeted rate of return.
- The balance of the HAFF was approximately \$10.6 billion at 30 September 2024.
- The bulk of returns from the HAFF have been allocated to Housing Australia, which is responsible for the Government's commitment to support 30,000 new social and affordable homes.
- Housing Australia's Round 1 of funding was open between 15 January 2024 and 22 March 2024.
- Housing Australia's Round 2 of funding was open between 16 December 2024 and 31 January 2025. Assessment of the applications is underway.

Acute funding updates

- Acute agencies are responsible for administering acute funding rounds. For information, the current status is as follows:
 - The Department of Veterans' Affairs opened their grant funding round from 20 June to 13 September 2024 to expand the availability of crisis and transitional housing for veterans and their families experiencing, or at risk of, homelessness.
 - The Department of Social Services opened their grant funding round on 2 October to 13 November 2024 to expand the availability of crisis and transitional housing for women and children impacted by family and domestic violence and older women at risk of homelessness. Outcomes of the funding round were announced on the 4 February 2025, with 42 projects to be supported.
 - The National Indigenous Australians Agency (NIAA) is finalising implementation plans with State and Territory governments that have signed Federation Funding Agreements (FFA). FFAs have been signed with the Northern Territory, South Australia and Western Australia. NIAA anticipates Queensland will agree to an FFA shortly.

Additional Estimates 2024 - 2025**TOPIC: PROGRESS UNDER THE SOCIAL HOUSING
ACCELERATOR PAYMENT****WITNESS:** Nicholas Dowie**Strategic Narrative**

- The Social Housing Accelerator Payment was a \$2 billion payment to states and territories (states) in June 2023. It is expected to deliver around 4,000 new and refurbished social homes.
- States are required to commit all funding by 30 June 2025, with the aim of having all new homes built or renovated by 2028.

KEY FACTS AND FIGURES – As of 31 December 2024

- 620 dwellings have been delivered, comprised of 379 refurbished dwellings, 93 new dwellings and 148 dwellings acquisitions that increase both social and total housing stock.
 - A further 1,898 dwellings are under construction or have contracts signed with developers (based on data still to be formally confirmed by two states).
 - \$363.2 million has been spent and a further \$700.8 million has been committed by states and territories (based on data still to be formally confirmed by two states).
 - States are planning to deliver at least 320 dwellings to assist First Nations people and families. As of 31 December 2024, 92 social dwellings were delivered for first nations people and families in NSW, Victoria and Queensland with a further 126 underway across five states.
- States are required to meet rigorous reporting and assurance requirements to demonstrate that the projects are additional to business as usual and permanently increase the supply of social housing.
 - This includes providing implementation plans and six-monthly progress reports.
 - Statements of Assurance are published on the Treasury website after finalisation.
 - The most recent Statement of Assurances have been finalised for six jurisdictions. WA and NT are still finalising Statements of Assurance in response to queries raised by Treasury officials on data reporting.

- Data in this briefing draws on revised estimates of dwellings commenced and funding spent and committed for NT and WA. This data has been reviewed by officials but not yet reflected in a signed Statement of Assurance from these two jurisdictions.
- Funding can be allocated for new builds; the purchase of newly built properties or conversion of non-residential properties where it increases social housing and total housing stock; and renovating or refurbishing existing but uninhabitable stock.

Table 1 – Summary of number of social houses committed, commenced and completed

	Implementation plans	Six months to 31 December 2024				Total as at 31 December 2024				
	Planned dwellings	Committed	Commenced	Completed	Sub-total	Committed	Commenced	Completed	Sub-total	Dwellings in pipeline vs IP's
NSW	1500	48	224	73	345	143	535	424	1102	73%
VIC	692-769	0	74	38	112	0	90	62	152	21%#
QLD	600	33	136	30	199	43	142	30	215	36%
WA^	598	56	160	77	293	302	160	104	566	95%
SA*	230*	0	50	0	50	269	50	0	319	139%*
TAS	116	0	6	0	6	108	8	0	116	100%
NT^	100	0	31	0	31	0	31	0	31	31%
ACT	55-65	0	17	0	17	0	17	0	17	28%#
Total	Around 4,000	137	698	218	1053	865	1033	620	2518	63%

* SA estimates of the number of planned dwellings do not reflect the outcome of a competitive bidding process which subsequently identified more homes

^ WA and NT Statements of Assurance are awaiting final clearance. Estimates in this table are drawn from cleared Statements of Assurance and not expected to change following minor corrections to detailed tables by WA and NT in revised Statements of Assurance.

VIC and ACT have provided a range. Percentage has been calculated using the median figure.

Note: Categories committed, commenced and completed are mutually exclusive.

Table 2 – Summary of SHAP funding committed and spent (\$ million)

	Implementation plans	Six months to 31 December 2024			Total as at 31 December 2024			
	Paid 2022-23	Committed	Spent	Sub-total	Committed	Spent	Sub-total	Per cent committed or spent
NSW	610.1	73.4	98.9	172.3	228.6	214.7	443.3	73%
VIC	496.5	52.0	39.5	91.5	56.5	56.6	113.1	23%
QLD	398.3	28.7	38.3	67.0	71.6	44.1	115.8	29%
WA^	209.2	32.8	22.1	54.9	173.5	33.9	207.3	99%
SA	135.8	0.0	4.6	4.6	98.8	4.6	103.5	76%
TAS	50	0.0	2.9	2.9	47.1	2.9	50.0	100%
NT^	50	9.1	4.7	13.8	13.2	5.2	18.4	37%
ACT	50	11.4	1.3	12.7	11.4	1.3	12.7	25%
Total	2000	207.4	212.3	419.6	700.8	363.2	1064.0	53%

^ WA and NT Statements of Assurance are awaiting final clearance. Estimates in this table are drawn from cleared Statements of Assurance and not expected to change following minor corrections to detailed tables by WA and NT in revised Statements of Assurance.

	Name and Role	Group/Branch/Organisation	Phone (w)	Phone (mob)
Cleared By	Name: Nicholas Dowie Role: Assistant secretary	SHCoL, Housing Division, Housing Strategy Branch	0262633769	s 22
Contact Officer	Name: s 22 Role: Director	SHCoL, Housing Division, Housing Strategy Branch	s 22	s 22

Supplementary Budget Estimates 2024 - 2025

TOPIC: **PROGRESS UNDER THE SOCIAL HOUSING
ACCELERATOR**

WITNESS: Nicholas Dowie

Strategic Narrative

- The Social Housing Accelerator (Accelerator) was a \$2 billion payment to states and territories (states) in June 2023. It is expected to deliver around 4,000 new and refurbished social homes.
- States are required to commit all funding by 30 June 2025, with the aim of having all new homes built or renovated by 2028.

KEY FACTS AND FIGURES – As of 30 June 2024

- 402 dwellings have been delivered, work has commenced on a further 370 and funding committed for a further 1062 (i.e. have contracts signed with the developer).
 - \$150.5 million has been spent and a further \$582.2 million has been committed.
- States are required to meet rigorous reporting and assurance requirements to demonstrate that the projects are additional to business as usual and permanently increase the supply of social housing.
 - This includes providing implementation plans and six-monthly progress reports.
 - Statements of Assurance are published on the Treasury website after finalisation.
 - Funding can be allocated for new builds; the purchase of newly built properties or conversion of non-residential properties where it increases social housing and total housing stock; expanding existing programs; and renovating or refurbishing existing but inhabitable stock.

	Name and Role	Group/Branch/Organisation	Phone (w)	Phone (mob)
Cleared By	Name: Nicholas Dowie Role: Assistant secretary	SHCoL, Housing Division, Housing Strategy Branch	0262633769	s 22
Contact Officer	Name: s 22 Role: Director	SHCoL, Housing Division, Housing Strategy Branch	s 22	s 22

HOUSING AUSTRALIA FUTURE FUND AND THE NATIONAL HOUSING ACCORD

Headline Statement

- Housing Australia has selected an initial pipeline of 185 projects to potentially deliver more than 13,700 social and affordable homes under Round 1 of the Federal Government's Housing Australia Future Fund (HAFF) and National Housing Accord (the Accord) program.
- The first \$500 million minimum annual disbursement from the \$10 billion HAFF will be made in 2024–25.
- The first round of the HAFF and Accord was extremely well supported, with applications received for almost 50,000 social and affordable homes.

Round 1 Outcomes and Insights

- Results of Round 1 for the HAFF and Accord were announced on 16 September 2024.
- The preferred projects under Round 1 will support investment of up to \$9.2 billion in social and affordable housing, with the pipeline expected to deliver more than one-third of the Government's 5-year target of 40,000 social and affordable homes.
- The preferred projects include more than 4,200 social and 9,500 affordable homes.
 - Almost 1,300 homes will be for women and children escaping domestic violence and older women at risk of homelessness.
 - Approximately 700 of the homes are due for completion this financial year.

Contact Officer:

Name: S 22
Division: Housing Division
Telephone: S 22
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- The geographic breakdown of projects progressing to contract negotiations is as follows:
 - 4,135 in Victoria
 - 3,266 in NSW
 - 2,787 in Western Australia
 - 1,315 in Queensland
 - 893 in South Australia
 - 757 in Australian Capital Territory
 - 479 in Tasmania
 - 110 in Northern Territory.
- Housing Australia is in the process of notifying applicants of outcomes and progressing to contract negotiations. As such, these project numbers are not final.

Policy Commitments

- At the 2024-25 Budget, the Government committed to \$1.9 billion in additional concessional financing for community housing providers and other charities to deliver new social and affordable dwellings under the HAFF and Accord.
- Within the first 5 years of the HAFF, the Government has committed to:
 - 20,000 social homes;
 - 10,000 affordable homes;
 - \$200 million for the repair, maintenance and improvements of housing in remote Indigenous communities;
 - \$100 million for crisis and transitional housing options for women and children leaving or experiencing domestic and family violence and older women who are at risk of homelessness; and
 - \$30 million for housing and fund specialist services for veterans experiencing homelessness or at risk of homelessness.

- The first annual disbursement in 2024-25 will include:
 - : \$6.4 million to Housing Australia to fund availability payments and \$388 million to fund grants for social housing;
 - : \$100.0 million to the National Indigenous Australians Agency for the repair, maintenance and improvement of housing in remote Indigenous communities;
 - : \$2.6 million to the Department of Social Services for crisis and transitional housing for women and children impacted by family and domestic violence and older women at risk of homelessness; and
 - : \$2.5 million to the Department of Veterans Affairs to build housing for veterans who are experiencing homelessness or are at-risk of homelessness.
- Within the first 5 years of the Accord, the Government has committed to supporting 10,000 affordable homes, which must be matched by the States and Territories.
- The Government has also committed that a minimum of 1,200 new social and affordable dwellings will be made available in each state and territory.

Future funding rounds

- The HAFF will support new social and affordable homes over multiple funding rounds in coming years.
- The Government recognises the urgent need to investment in new housing to be rolled out as soon as possible.
- We expect Housing Australia to commence the next funding round later this year.
- The Minister for Housing has worked closely with The Treasury and Housing Australia to identify and implement learnings from Round 1.
- The Minister will have more to say about the specific scope and timing of Round 2 in the coming weeks.

Background

- The Housing Australia Future Fund (HAFF) was formally established on 1 November 2023, following passage through Parliament of the Housing Australia Future Fund Bill 2023 on 14 September 2023.
- The balance of the HAFF was approximately \$10.4 billion at 30 June 2024.
- The Future Fund Board of Guardians is responsible for investing the HAFF within specific parameters set by the Treasurer and Finance Minister in the HAFF Investment Mandate, including the targeted rate of return.
- The bulk of returns from the HAFF are expected to be allocated to Housing Australia, which will have primary responsibility for delivering the Government's commitment to use HAFF returns to support 30,000 new social and affordable homes.

Timeline of key events

- The HAFF was a 2022 election commitment. The HAFF aims to address the shortage of social and affordable homes in Australia, as part of the Government's broader housing agenda.
- Legislation to create the Fund was introduced to Parliament on 9 February 2023, passing both houses on 14 September 2023. The Fund was subsequently established on 1 November 2023.
- Following passage of the legislation, the Government consulted on amendments to Housing Australia's Investment Mandate Direction to facilitate delivery of the HAFF. Consultation occurred between the final week of October and first week of November 2023. The amendments to the Housing Australia Investment Mandate were registered on 8 December 2023.
- Housing Australia's Round 1 of funding was open between 15 January 2024 and 22 March 2024.
- The Housing Australia Investment Mandate was amended in July 2024 to provide an initial financial limit on making loans and grants under the HAFF and Accord following Round 1.
- The Department of Veterans' Affairs opened their grant funding round from 20 June to 13 September 2024 to expand the availability of crisis and transitional housing for veterans and their families experiencing, or at risk of, homelessness.
- The Department of Social Services opened their grant funding round on 2 October to 13 November 2024 to expand the availability of crisis and transitional housing for women and children impacted by family and domestic violence and older women at risk of homelessness.

55k social and affordable homes

KEY MESSAGES

- The Government understands safe and affordable housing is central to the security and dignity of all Australians.
- That’s why the Albanese Government has committed to supporting 55,000 additional social and affordable homes by mid-2029.

KEY FACTS AND FIGURES

- As part of the Government’s aspirational Housing Accord target of 1.2 million homes, the Government is investing in a range of programs and initiatives to support the delivery of 55,000 social and affordable homes by mid-2029. The majority of the dwellings will be delivered through the Housing Australia Future Fund, National Housing Accord Facility, and Social Housing Accelerator Payment:
 - The \$10 billion Housing Australia Future Fund and the National Housing Accord Facility will support 40,000 new social and affordable homes, as well as a range of acute housing needs (including repair and maintenance in remote Indigenous communities, crisis and transitional accommodation for women and children, and housing support for Veterans who are experiencing or at risk of homelessness).
 - : As of the 30 June 2025, contracts had been signed to support 18,650 dwellings from Rounds 1 and 2.
 - The \$2 billion Social Housing Accelerator Payment (SHAP) to state and territory governments to deliver around 4,000 new and refurbished social homes.
 - : The latest finalised progress reports show that as of 31 December 2024, 620 homes have been delivered, a further 1,033 were under construction, and 865 homes were contracted.

A range of other programs will support the delivery of 55,000 social and affordable homes:

- An additional \$1 billion through the National Housing Infrastructure Facility (NHIF) towards crisis and transitional accommodation for women and children experiencing family and domestic violence and for youth experiencing, or at

Office Responsible	Minister for Housing, Minister for Homelessness, Minister for Cities - The Hon Clare O'Neil MP	Adviser	s 22
Contact Officer	s 22	Contact Number	s 22
Division responsible	Housing Division		
Date of Update	10 July 2025		

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particular risk of, homelessness. This is in addition to the original \$1 billion provided to the NHIF to support housing enabling critical infrastructure and social and affordable housing.

- The Affordable Housing Bond Aggregator (AHBA), which has supported over 20,700 new and existing homes by approving \$4.9 billion in loans to 45 community housing providers.
- Affordability standards for the build to rent tax incentives to help ensure the supply of affordable tenancies and provide greater security and stability for these renters.

Office Responsible	Minister for Housing, Minister for Homelessness, Minister for Cities - The Hon Clare O'Neil MP	Adviser	s 22
Contact Officer	s 22	Contact Number	s 22
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BACKGROUND

HAFF and Accord

- The \$10 billion Housing Australia Future Fund will deliver 20,000 social and 10,000 affordable homes. The National Housing Accord Facility will deliver a further 10,000 affordable homes.
- \$500 million minimum annual disbursements from the HAFF commenced in 2024–25. These funds will support social, affordable, and acute housing, including for women and children impacted by family violence and older women at risk of homelessness.
- The Housing Australia Future Fund will also support a range of acute housing needs. This includes \$200 million for repair, maintenance and improvement of housing in remote Indigenous communities; \$100 million for crisis and transitional housing for women and children impacted by family and domestic violence and older women at risk of homelessness; and \$24 million as part of a broader \$30 million package to build housing for veterans and their families who are experiencing homelessness or are at-risk of homelessness.
- On 3 July 2025, Housing Australia published a statement confirming the list of contracted projects under Round 1 and 2 of the HAFF. 4,288 social and 9,366 affordable dwellings will be supported through Round 1 of the HAFF. Round 2 of the HAFF will support 5,001 social dwellings. The following dwellings are contracted in each state:

Office Responsible	Minister for Housing, Minister for Homelessness, Minister for Cities - The Hon Clare O'Neil MP	Adviser	s 22
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Jurisdiction	Social	Affordable
QLD	1,265	929
NSW	2,909	1,941
ACT	305	589
VIC	2,551	2,867
TAS	398	220
SA	512	749
WA	1,222	2,031
NT	122	40
HAFF Total	9,284	9,366

Social Housing Accelerator Payment

- In June 2023, the Government paid the \$2 billion Social Housing Accelerator to the states and territories (states) to deliver around 4,000 new and refurbished social homes across Australia.
- The states are required to commit all funding by 30 June 2025, with the aim of having all new homes delivered by 2028.
- States and territories must meet strict reporting and assurance requirements. The next detailed reports for the period to 30 June 2025 will be provided to the Commonwealth by 31 August 2025.

Office Responsible	Minister for Housing, Minister for Homelessness, Minister for Cities - The Hon Clare O'Neil MP	Adviser	s 22
Contact Officer	s 22	Contact Number	s 22
Division responsible	Housing Division		
Date of Update	10 July 2025		

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- **Table: Detailed program reporting to 31 December 2024 by state and territory**
- States provided the 3rd Statements of Assurance for SHAP on 28 February 2025, reporting on the period of 1 July to 31 December 2024. Below is a summary of the data received from this Statement of Assurance:

Jurisdiction	Target in implementation plans	Committed (contracts signed)	Commenced (under construction)	Completed
NSW	1,500	143	535	424
VIC	692 to 769	0	90	62
QLD	600	43	142	30
WA	598	302	160	104
SA	230	269	50	0
TAS	116	108	8	0
NT	100	0	31	0
ACT	55 to 65	0	17	0
Total	Around 4,000	865	1,033	620

NHIF

- The NHIF is administered by Housing Australia and provides concessional loans and grants for the delivery of more social and affordable homes.
 - \$1 billion is available for both housing-enabling critical infrastructure needed to unlock and accelerate new housing supply and direct financial support to fund new social and affordable housing.
 - \$1 billion is available for crisis and transitional accommodation for women and children experiencing domestic violence, and youth experiencing, or at particular risk of, homelessness.

Office Responsible	Minister for Housing, Minister for Homelessness, Minister for Cities - The Hon Clare O'Neil MP	Adviser	s 22
Contact Officer	s 22	Contact Number	s 22
Division responsible	Housing Division		
Date of Update	10 July 2025		

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- Dwellings supported by the original NHIF stream total approximately 1,500 noting this funding is offered often as part of blended financial arrangements so there may be some double counting with respect to the AHBA.
- Reliable numbers on total dwellings supported by the NHIF cannot be estimated due to potential double-counting with related programs.

BTR

- The Government has implemented tax incentives to encourage more investment in new build to rent developments to boost supply of secure, long term, private rental accommodation including affordable dwellings.
- At least 10 per cent of dwellings in eligible build to rent developments must be available to be tenanted at submarket rent by eligible lower-income and moderate-income tenants.
- The impact on affordable housing supply of these incentives will be available once developers submit their tax returns, claim this incentive, are verified and provided to Treasury.

AHBA

- The AHBA provides long-term and low-cost finance to community housing providers, with AHBA loans used to acquire, construct or maintain social and affordable housing, as well as to refinance existing debt.
- AHBA loans currently support some HAFF, NHAF and NHIF projects.
 - In 2024-25, \$810 million in AHBA loans was approved.

Office Responsible	Minister for Housing, Minister for Homelessness, Minister for Cities - The Hon Clare O'Neil MP	Adviser	s 22
Contact Officer	s 22	Contact Number	s 22
Division responsible	Housing Division		
Date of Update	10 July 2025		

Housing Market Key Facts and Figures

KEY MESSAGE

- Housing system conditions remain challenging, with low levels of affordability and new housing supply. However, declining interest rates and slowing rents growth will have improved affordability for some households in recent months, while easing construction costs are also likely to support new housing supply.

KEY FACTS AND FIGURES

- National dwelling prices rose by 0.6 per cent in June, to be 3.4 per cent higher than a year ago. Affordability constraints and elevated interest rates have limited annual price growth, which is significantly lower than its recent peak of 24.8 per cent in November 2021.
 - Nevertheless, dwelling prices have picked up in recent months, with five consecutive monthly increases in prices since February. Cuts to the cash rate in February and May, alongside expectations for further rate cuts, have placed upward pressure on prices.
 - Growth in dwelling prices was broad based across states and territories in June, with price rises in all capital cities except Hobart.
- Annual rents growth has continued to slow, with CPI rents rising by 4.5 per cent over the year to May. s 22
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 - The normalisation of population growth back toward pre-pandemic levels indicates a slower increase in the level of underlying demand for housing.
- Housing affordability remains a challenge for many Australians. In December 2024, around 50 per cent of median household income was needed to service a new mortgage, while 33 per cent was needed to pay rent costs for a new lease. The time a medium-income household needed to save for a deposit was 10.6 years, up from 8.6 years in December 2019.

Office Responsible	Minister for Housing, Minister for Homelessness, Minister for Cities - The Hon Clare O'Neil MP	Adviser	s 22
Contact Officer	s 22	Contact Number	s 22
Division responsible	Homelessness and Housing Policy Division		
Date of Update	09 July 2025		

Housing Market Key Facts and Figures

- Although housing affordability remains challenging, falling interest rates and slowing rents growth, alongside rising incomes, will have improved affordability for some mortgage holders and renters in recent months.
- Dwelling investment grew by 2.6 per cent in the March quarter 2025 to be 5.6 per cent higher through the year. The increase in activity was broad-based across houses, medium-high dwellings and renovations over the quarter.
 - Dwelling approvals rose by 6.5 per cent over the year to May. This equates to around 183,000 approvals in the past year, which is well below the peak number of approvals recorded in 2016.
 - Dwelling completions remained at around their lowest level in about a decade in 2024, with around 177,000 dwellings completed.
- Although feasibility remains a challenge across the sector, construction costs have begun to ease. Detached house construction costs fell by 0.7 per cent in the March quarter to be 1.1 per cent higher over the year. This mainly reflects a decline in material costs, with construction labour cost growth remaining broadly steady in recent months.

BACKGROUND

- Data tables for conditions in the housing system are at [Attachment A](#).

Office Responsible	Minister for Housing, Minister for Homelessness, Minister for Cities - The Hon Clare O'Neil MP	Adviser	s 22
Contact Officer	s 22	Contact Number	s 22
Division responsible	Homelessness and Housing Policy Division		
Date of Update	09 July 2025		

Housing Market Key Facts and Figures

Attachment A

Table 1 – Housing market conditions

Housing at a glance						
Source	Series	Period	Level	Proportion		
ABS	Total value of dwelling stock	March 2025	\$11,366.4 billion			
ABS	Number of residential dwellings	March 2025	11,338,500			
ABS	Owned outright (% of households)	2021 Census			31%	
ABS	Owned with mortgage (% of households)	2021 Census			35%	
ABS	Rented (% of households)	2021 Census			31%	
Dwelling prices						
Source	Series	Period	Level (median)	MoM	QoQ	TTY
Cotality	All dwellings (value)	June 2025	\$837,586	0.6%	1.4%	3.4%
Cotality	Houses (value)	June 2025	\$905,076	0.6%	1.5%	3.7%
Cotality	Units (value)	June 2025	\$686,399	0.6%	1.0%	2.3%
Dwelling rents						
Source	Series	Period	Level	MoM	QoQ	TTY
ABS	Monthly CPI indicator rents	May 2025		0.3%		4.5%
ABS	Quarterly CPI rents	Mar qtr 2025			1.2%	5.5%
Housing affordability						
Source	Series	Period	Level	MoM	QoQ	TTY
Cotality, ANU	Price to income ratio	Dec qtr 2024	8.0		+0.05	+0.38
Cotality, ANU	Years to save a deposit	Dec qtr 2024	10.6 years		+0.1 years	+0.5 years
Cotality, ANU	New mortgage payment to income ratio	Dec qtr 2024	50.5%		+0.2ppts	+2.4ppts
Cotality, ANU	Advertised rent to income ratio	Dec qtr 2024	32.9%		+0.14ppt	+1.5ppts
Housing supply						
Source	Series	Period	Level	MoM	QoQ	TTY
ABS	Dwelling approvals*	May 2025 Year to May 2025	15,212 182,894	3.2%		6.5%
ABS	Dwelling commencements*	Dec qtr 2024 Year to Dec qtr 2024	41,911 168,049		-4.4%	5.3%
ABS	Dwelling completions*	Dec qtr 2024 Year to Dec qtr 2024	45,167 177,313		0.4%	-1.0%
ABS	PPI – House material input prices	Mar qtr 2025			-0.1%	1.1%
ABS	WPI – Construction wage prices*	Mar qtr 2025			0.7%	3.5%
Housing demand						
Source	Series	Period	Level	MoM	QoQ	TTY
ABS	Estimated resident population	31 Dec 2024	27,400,013		0.3% (91,100)	1.7% (445,900)
ABS	Net overseas migration	Dec qtr 2024			68,000	340,600
ABS, Treasury	Average household size	Feb 2025	2.55			
ABS	Nominal household disposable income*	Mar qtr 2025			2.4%	6.9%
ABS	Real household disposable income* **	Mar qtr 2025			1.7%	3.4%
Interest rates						
Source	Series	Period	Level	MoM	QoQ	TTY
RBA	Owner-occupied home loan rate	May 2025	5.83%			
RBA	Investor home loan rate	May 2025	6.02%			
RBA	Cash rate target	8 July 2025	3.85%			

* Seasonally adjusted data. **Deflated using the household final consumption expenditure deflator.

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Contact Officer	s 22	Contact Number	s 22
Division responsible	Homelessness and Housing Policy Division		
Date of Update	09 July 2025		

Housing Market Key Facts and Figures

Upcoming data releases			
Release date	Data	Source	Reference period
16 July 2025	Building activity (dwelling commencements and completions)	ABS	March quarter 2025
30 July 2025	CPI quarterly (rents)	ABS	June quarter 2025
31 July 2025	Dwelling approvals	ABS	June 2025
1 August 2025	Housing prices and advertised rents	Cotality	July 2025
1 August 2025	Producer price index (construction costs)	ABS	June quarter 2025

Tables 2 and 3 – Social housing conditions and Government housing programs

Social housing dwellings (30 June 2024)									
Type	NSW	Vic	Qld	SA	WA	Tas	NT	ACT	Aus
Public housing	94,470	64,223	53,509	31,462	33,436	5,066	4,566	10,952	297,684
SOMIH*	5,380	-	3,259	1,360	-	164	5,705	-	15,868
Community housing**	54,412	18,191	12,548	13,048	8,012	10,139	731	1,736	118,817
ICH***	5,336	2,060	5,433	696	2,683	96	1,878	-	18,182
Total	159,598	84,474	74,749	46,566	44,131	15,465	12,880	12,688	450,551
1 year change	0.8%	2.0%	1.9%	1.4%	1.8%	3.3%	1.2%	1.3%	1.4%
5 year change	2.6%	4.1%	4.6%	0.8%	1.3%	10.2%	2.8%	7.0%	3.3%
Public housing waitlists									
Year	NSW	Vic	Qld	SA	WA	Tas	NT	ACT	Aus
30 June 2024	50,726	51,380	18,818	14,043	20,294	4,709	5,423	3,159	168,552
1 year change	0.6%	-4.8%	1.1%	-2.0%	6.4%	2.4%	7.4%	-0.5%	-0.4%
5 year change	8.6%	20.0%	19.0%	-25.0%	35.1%	40.5%	41.1%	41.9%	13.5%
Specialist homelessness services									
Year	NSW	Vic	Qld	SA	WA	Tas	NT	ACT	Aus
2023-24	67,891	101,964	48,818	18,717	24,993	6,672	10,080	4,006	280,078
1 year change	-0.7	3.7	7.4	-3.6	2.2	0.0	-0.3	1.5	2.3
5 year change	-7.7	-9.7	13.3	-4.7	0.5	0.7	4.5	5.2	-3.5
Homelessness (2021 Census)									
Year	NSW	Vic	Qld	SA	WA	Tas	NT	ACT	Aus
Homelessness (2021)	35,011	30,660	22,428	7,428	9,729	2,350	13,104	1,777	122,494
5 year change	-7.2%	23.5%	3.5%	19.3%	8.0%	44.9%	-4.5%	11.3%	5.2%
10 year change	27.4%	37.5%	17.8%	27.7%	5.9%	52.9%	-14.5%	2.2%	19.6%
Rate per 10,000 (2021)	43.4	47.1	43.5	41.7	36.6	42.1	563.6	39.1	48.2
Rate per 10,000 (2011)	39.7	41.7	43.9	36.4	41.1	31.0	723.7	48.7	47.6

*State Owned and Managed Indigenous Housing. **Number of tenancy (rental) units. ***Indigenous Community Housing.

Note: SOMIH does not operate in Vic, WA or the ACT. Totals for social housing waitlists exclude Indigenous community housing (data not available). All data are reported in the Productivity Commission Report on Government Services.

Home Guarantee Scheme, 2024-25 (as at 7 July 2025)									
Stream	Places available (2024-25)		Places issued (2024-25)		Australians supported (2024-25)		On hold* (2024-25)		
First Home Guarantee	35,000		29,271		46,814		5,458		
Family Home Guarantee	5,000		891		891		190		
Regional FHB Guarantee	10,000		8,929		14,457		1,007		
Total	50,000		39,091		62,162		6,655		
HAFF/Accord Supported Dwellings, Rounds 1 & 2 (as at 3 July 2025)									
Year	NSW	Vic	Qld	SA	WA	Tas	NT	ACT	Aus
Social	2,909	2,551	1,265	512	1,222	398	122	305	9,284
Affordable	1,941	2,867	929	749	2,031	220	40	589	9,366
Total	4,850	5,418	2,194	1,261	3,253	618	162	894	18,650
Social Housing Accelerator Payment (reporting to 31 December 2024)									
Year	NSW	Vic	Qld	SA**	WA	Tas	NT	ACT	Aus
Target in implementation plan	1,500	692 to 769	600	230	598	116	100	55 to 65	3,891 to 3,978
Committed (contracts signed)	143	0	43	269	302	108	0	0	865
Commenced (under construction)	535	90	142	50	160	8	31	17	1,033
Completed	424	62	30	0	104	0	0	0	620

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Contact Officer	s 22	Contact Number	s 22
Division responsible	Homelessness and Housing Policy Division		
Date of Update	09 July 2025		

Housing Market Key Facts and Figures

*Places are on hold where they have been reserved or finance pre-approved while the home buyer searches for a home. **SA's estimates of the number of planned dwellings do not reflect the outcome of a competitive bidding process which subsequently identified more homes.

Table 4 - Effect of interest rate changes on existing mortgages, by loan size

Outstanding Loan Balance (Existing borrowers)	Monthly Repayment at 1 May 2022 @ Retail rate of 2.86%	Monthly Repayment at 3 July 2025 @ Retail rate of 6.61%	Cumulative Increase in Monthly Repayment since 1 May 2022	Change in monthly repayment, if rates decrease by:					Cumulative Increase in Monthly Repayment since 1 May 2022 if next RBA decision is a decrease of:				
				15 basis points	25 basis points	35 basis points	40 basis points	50 basis points	15 basis points	25 basis points	35 basis points	40 basis points	50 basis points
\$200,000	\$934	\$1,364	\$430	-\$19	-\$31	-\$44	-\$50	-\$62	\$411	\$399	\$387	\$380	\$368
\$300,000	\$1,401	\$2,046	\$645	-\$28	-\$47	-\$65	-\$75	-\$93	\$617	\$599	\$580	\$571	\$552
\$400,000	\$1,868	\$2,728	\$861	-\$38	-\$62	-\$87	-\$100	-\$124	\$823	\$798	\$773	\$761	\$736
\$440,000	\$2,055	\$3,001	\$947	-\$41	-\$69	-\$96	-\$110	-\$137	\$905	\$878	\$851	\$837	\$810
\$500,000	\$2,335	\$3,410	\$1,076	-\$47	-\$78	-\$109	-\$124	-\$155	\$1,029	\$998	\$967	\$951	\$920
\$600,000	\$2,802	\$4,093	\$1,291	-\$56	-\$94	-\$131	-\$149	-\$186	\$1,234	\$1,197	\$1,160	\$1,141	\$1,104
\$700,000	\$3,269	\$4,775	\$1,506	-\$66	-\$109	-\$153	-\$174	-\$217	\$1,440	\$1,397	\$1,353	\$1,332	\$1,289
\$800,000	\$3,736	\$5,457	\$1,721	-\$75	-\$125	-\$174	-\$199	-\$248	\$1,646	\$1,596	\$1,547	\$1,522	\$1,473
\$900,000	\$4,203	\$6,139	\$1,936	-\$84	-\$141	-\$196	-\$224	-\$279	\$1,852	\$1,796	\$1,740	\$1,712	\$1,657

Note: Assumes 25 years left on mortgage, 100% of loan is on variable rates, retail banks pass through 100% of the cash rate change, and current rate for existing mortgage as at 3 July 2025 is 6.61% (mean April 2022 retail variable rate of 2.86%, plus a 375-basis-point net increase in the cash rate). We estimate that the average existing owner occupier loan is approximately \$440,000 (Treasury estimate from ABS and RBA data).

Table 5 - Effect of interest rate changes on new mortgages, by state

Average New Loan Balance by State March qtr 2025	Monthly Repayment at 1 May 2022 @ Retail rate of 2.46%	Monthly Repayment at 3 July 2025 @ Retail rate of 6.21%	Cumulative Increase in Monthly Repayment since 1 May 2022	Change in Monthly Repayment, if Rates Decrease by:					Cumulative Increase in Monthly Repayment on equivalent amount since 1 May 2022 if next RBA decision is a decrease of:				
				15 basis points	25 basis points	35 basis points	40 basis points	50 basis points	15 basis points	25 basis points	35 basis points	40 basis points	50 basis points
(AUS) \$660,000	\$2,594	\$4,047	\$1,452	-\$64	-\$107	-\$149	-\$170	-\$212	\$1,388	\$1,346	\$1,304	\$1,283	\$1,241
NSW \$795,000	\$3,125	\$4,874	\$1,750	-\$77	-\$128	-\$179	-\$205	-\$255	\$1,672	\$1,621	\$1,570	\$1,545	\$1,495
VIC \$628,000	\$2,468	\$3,850	\$1,382	-\$61	-\$101	-\$142	-\$162	-\$201	\$1,321	\$1,281	\$1,241	\$1,220	\$1,181
QLD \$641,000	\$2,519	\$3,930	\$1,411	-\$62	-\$103	-\$144	-\$165	-\$206	\$1,348	\$1,307	\$1,266	\$1,246	\$1,205
WA \$594,000	\$2,335	\$3,642	\$1,307	-\$58	-\$96	-\$134	-\$153	-\$191	\$1,250	\$1,211	\$1,173	\$1,154	\$1,117
SA \$591,000	\$2,323	\$3,624	\$1,301	-\$57	-\$95	-\$133	-\$152	-\$190	\$1,243	\$1,205	\$1,167	\$1,149	\$1,111
TAS \$487,000	\$1,914	\$2,986	\$1,072	-\$47	-\$79	-\$110	-\$125	-\$156	\$1,024	\$993	\$962	\$946	\$916
ACT \$616,000	\$2,421	\$3,777	\$1,356	-\$60	-\$99	-\$139	-\$158	-\$198	\$1,296	\$1,256	\$1,217	\$1,197	\$1,158
NT \$488,000	\$1,918	\$2,992	\$1,074	-\$47	-\$79	-\$110	-\$126	-\$157	\$1,027	\$995	\$964	\$948	\$917

Note: Assumes 30 years left on mortgage, 100% of loan is on variable rates, retail banks pass through 100% of the cash rate change, and current rate for new mortgages as at 3 July 2025 is 6.21% (mean April 2022 retail variable rate of 2.46%, plus a 375-basis-point net increase in the cash rate).

Since the table shows average new loan sizes by state as at the March quarter 2025, the May 2022 repayment figures and comparisons to them are hypothetical. The table shows how much it would cost to service mortgages under various scenarios, compared with what it would have cost at the prevailing cash rate on 1 May 2022 of 0.10 per cent.

Office Responsible	Minister for Housing, Minister for Homelessness, Minister for Cities - The Hon Clare O'Neil MP	Adviser	s 22
Contact Officer	s 22	Contact Number	s 22
Division responsible	Homelessness and Housing Policy Division		
Date of Update	09 July 2025		

How many homes have been built with Commonwealth support

KEY MESSAGE

- The Australian Government has an ambitious target to deliver 1.2 million new homes over 5 years between 1 July 2024 and 30 June 2029 and is working with all levels of government to boost supply through the National Housing Accord.
- Improving housing construction productivity will be important to support an acceleration in housing supply. The Treasurer’s Economic Roundtable is an opportunity to look at issues holding back housing construction productivity growth.

KEY FACTS AND FIGURES

- In the first 6 months of the National Housing Accord, according to ABS data on dwelling completions around 90,000 new homes (~45,000 a quarter) have been delivered in seasonally adjusted terms.
 - This is the most new dwellings delivered in the first half of a financial year since 2019-20.
 - To meet the Accord target, 120,000 dwellings would need to be delivered over each six month period.
- Since July 2022, 440,000 new homes have been built.
- The National Housing Supply and Affordability Council forecasts that 938,000 dwellings will be built during the Accord period, indicating a shortfall of 262,000 dwellings.
 - No state or territory is forecast to meet their per capita share of the target
 - Nevertheless, it has assessed the that the 1.2 million target remains suitably ambitious – highlighting the challenges facing the community and communicating policy intent. The target aligns in ambition to targets set by the UK and Canadian governments in their own jurisdiction.
 - The 938,000 forecast would mean an average of 188,000 dwellings will be completed annually. This is above the 20 year average of 173,000

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Contact Officer	S 22	Contact Number	S 22
Division responsible	Housing Division		
Date of Update	10 July 2025		

How many homes have been built with Commonwealth support

dwellings since 2004. But below the 5 year average of peak construction from 2015 to 2020 where 205,000 were built annually.

- The number of new homes is expected to accelerate as the Government’s initiatives, including with states, territories and local governments, take effect.
- Already, the Government is investing in enabling infrastructure, provided funding to scale up pre fabricated building programs, made fee free TAFE permanent and agreed with states and territories to implement the National Planning Reform Blueprint to reduce regulatory barriers to housing.

55K progress summary

- The \$10 billion Housing Australia Future Fund and National Housing Accord Facility will deliver 40,000 new social and affordable homes. As of 30 June 2025, contracts have been signed to support 18,650 dwellings from Rounds 1 and 2.
- Under the \$2 billion Social Housing Accelerator, state and territory governments are also being supported to deliver around 4,000 new and refurbished social homes.
 - The latest progress reports show that as of 31 December 2024, 620 homes have been delivered, a further 1,033 were under construction, and 865 homes were contracted. (QB25-000200 includes more details on the 55,000 social and affordable homes target).

Office Responsible	Minister for Housing, Minister for Homelessness, Minister for Cities - The Hon Clare O'Neil MP	Adviser	<InsertNameHere>
Contact Officer	s 22	Contact Number	s 22
Division responsible	Housing Division		
Date of Update	10 July 2025		

Progress to 1.2 million homes target

HEADLINE RESPONSE

- Australia has a housing shortage. There are not enough homes for those who need them, where they need them and at a price they can afford.
- That is why the Government is working with state, territory and local governments, industry and investors to deliver 1.2 million new homes by 30 June 2029 under the National Housing Accord.
- This is an ambitious target because it needs to be.
- We know it won't be met under a business-as-usual scenario.
- It is why the National Housing Supply and Affordability Council has found the target is suitably ambitious to help galvanise stakeholders into action.
- It is why the Government has announced the \$32 billion Homes for Australia plan, including \$4.5 billion in direct funding to the states to support the delivery of more homes.
- It is why the Government continues to work with the states to streamline planning approvals to make it easier for new homes to come on line faster.
- The ABS will release data on progress against the target on 22 January 2025.

KEY FACTS

Construction Activity

- Construction activity needs to increase by around 40 per cent on current levels to meet the National Housing Accord Targets.
 - In the 12 Months to June 2024, 176,131 homes were completed. To meet the target this needs to rise to 240,000 (Source ABS, Building Activity)

Office Responsible	Minister for Housing, Minister for Homelessness - The Hon Clare O'Neil MP	Adviser	s 22
Contact Officer	s 22	Contact Number	s 22
Division responsible	Housing Division		
Date of Update	12 November 2024		

Progress to 1.2 million homes target

- In the 2024 June quarter, the number of homes built was higher than equivalent June quarters in the three years prior (that is, since June 2021).
- Dwelling investment grew by 0.1 per cent in the June quarter 2024 to be 3 per cent lower than the June quarter 2023 (Source: ABS, National Accounts).
- Dwelling investment is expected to remain flat in 2024-25 and increase by 6½ per cent in 2025-26. (Source: Budget Statement 2).

Forecasts around the 1.2 million target

- The National Housing Supply and Affordability Council has found the target is suitably ambitious to help galvanise stakeholders into action.
- It has also forecast that there will be a shortfall against the target of around 260,000 homes.
- Master Builders Australia has forecast a shortfall of over 166,000 homes against the target.
- While NSW Premier has conceded NSW will be unlikely to meet its share of the Accord targets in 2024-25, the NSW government has set housing targets for 43 local government areas to help NSW meet its housing targets over the life of the Accord.

Government action to help get to the target

- As part of the Government's \$32 billion Homes for Australia plan, the Government is offering a \$3 billion incentive payment to states to build more homes through the New Homes Bonus.
- It is also offering \$1.5 billion to states and local governments through the Housing Support Program to develop the infrastructure required to enable new homes to be built.
- The Government is working with states and territories to improve the planning system, so it facilitates more homes through the National Planning Reform Blueprint. States are making good progress in delivering the Blueprint which seeks to:
 - Streamline development approvals,

Page 2 of 3

Office Responsible	Minister for Housing, Minister for Homelessness - The Hon Clare O'Neil MP	Adviser	s 22
Contact Officer	s 22	Contact Number	s 22
Division responsible	Housing Division		
Date of Update	12 November 2024		

Progress to 1.2 million homes target

- Identify well-located development ready land,
 - Increase density in target areas,
 - Identify how housing can be built faster on sites with development approvals but where development has not commenced (zombie approvals)
 - ensure that state, regional and local strategic plans reflect their share of the national 1.2 million homes target.
- The Government is also investing \$88.8 million to grow the pipeline of construction workers through 20,000 additional fee-free TAFE and pre apprenticeship places. This is in addition to the more than 24,200 fee free TAFE places for the construction sector in 2023.

Measuring Progress

- Progress against the target will be measured by the ABS through its Building Activity data series. The latest release, on 9 October 2024, covered the period up to 30 June 2024. The data release on 22 January 2025 will cover the first three months of the Accord to 30 September 2024.

Office Responsible	Minister for Housing, Minister for Homelessness - The Hon Clare O'Neil MP	Adviser	s 22
Contact Officer	s 22	Contact Number	s 22
Division responsible	Housing Division		
Date of Update	12 November 2024		

Social Housing Accelerator

HEADLINE RESPONSE

- The Government paid the \$2 billion Social Housing Accelerator to the states and territories (states) in June 2023 to deliver thousands of new and refurbished social homes across Australia.

KEY FACTS

- The \$2 billion Social Housing Accelerator was announced on 17 June 2023 and delivered to the states in that month so they could start investing in new social homes straight away.
- This investment is expected to deliver around 4,000 new and refurbished homes for Australians on social housing waiting lists.
- The states are required to commit all funding by 30 June 2025, with the aim of having all new homes built or renovated by 2028.
- Premiers and Chief Ministers will ensure this additional investment in housing will work alongside improved planning and zoning regulations and faster land release.
- The states are required to meet rigorous reporting and assurance requirements to demonstrate that the projects are additional to business as usual and permanently increase the supply of social housing.
 - This includes providing implementation plans and six-monthly progress reports, the second of which have been provided to the Commonwealth.
- The second 6 monthly progress reports show that as of 30 June 2024, 402 dwellings have been delivered and a further 1,432 are under construction or have contracts signed with developers.
- The payment does not replace Commonwealth funding through other mechanisms such as the National Housing and Homelessness Agreement.

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Contact Officer	S 22	Contact Number	S 22
Division responsible	Housing Division		
Date of Update	12 November 2024		

Social Housing Accelerator

BACKGROUND

- The states were required to submit implementation plans setting out how many homes they will deliver, where they will be delivered and how they will be delivered. Draft plans were endorsed by National Cabinet on 16 August, and final plans are now available on the Treasury’s website.
 - States may update their plans over time, including to provide additional information on expected project outcomes where this is no longer commercially sensitive.
- States are also required to submit six-monthly reports outlining how they are spending the Accelerator funds, including the number of social homes delivered and changes to social housing waiting lists.
 - The first reports showed that 146 new social homes were delivered in the first six months (up to 31 December 2023).
 - The second reports have been finalised by states and territories and will be published on the Treasury website shortly.
- The states have some flexibility in determining how the funds are spent. This includes how funding is allocated to new builds; the purchase of new build properties or conversion of non-residential properties where it increases social housing and total housing stock; expanding existing programs; and renovating or refurbishing existing but inhabitable stock.
- Tasmania, the ACT and NT each received a \$50 million funding floor to ensure the smaller states are well equipped to invest in more social housing.
- The following table outlines the overall funding and expected dwellings, and progress as at 30 June 2024.

Jurisdiction	Total funds allocated \$ millions	Funds committed but not spent \$ millions	Funds spent \$ millions	Dwellings allocated in implementation plans	Dwellings commenced or contracted	Dwellings completed
New South Wales	610.1	209.9	115.7	1,500	545	351
Victoria	496.5	4.5	17.0	692-769	16	24
Queensland	398.3	61.2	5.6	600	135	0
Western Australia	209.2	149.1	11.8	598	293	27
South Australia	135.8	103.7	0.0	230	319	0
Tasmania	50.0	50.0	0.0	116	116	0
Northern Territory*	50.0	3.7	0.4	100	8	0
ACT	50.0	0.0	0.0	55-65	0	0
Total	2,000	582.2	150.5	3,891-3978	1,432	402

Office Responsible	Minister for Housing, Minister for Homelessness - The Hon Clare O'Neil MP	Adviser	TBC
Contact Officer	S 22	Contact Number	S 22
Division responsible	Housing Division		
Date of Update	12 November 2024		

Housing Market Key Facts and Figures

HEADLINE RESPONSE

- The Government understands safe and affordable housing is central to the security and dignity of all Australians.
- We want every Australian to have the security of having a roof over their head.
- It's important that we're upfront about the combination of challenges we confront.
- The Government recognises that high interest rates and the tight rental market are difficult news for Australians who are already facing costs of living challenges.

KEY FACTS

- *A placemat of housing market and social housing data is attached below.*
- Dwelling investment grew by 0.1 per cent in the June quarter 2024 to be 1.5 per cent lower in 2023-24. High interest rates and elevated construction costs have weighed on the flow of new activity, consistent with recent weakness in building approvals. (Source: ABS, National Accounts).
- Despite a large pipeline of detached houses in the wake of the pandemic supporting residential construction, this pipeline has been largely worked through, with the number of dwellings under construction slowing since September 2022.
 - In the year to June 2024, there was a 3.3 per cent fall in total private sector dwelling commencements and a 7.5 per cent fall in the level of total private sector dwellings under construction.
- In 2024, 450,000 fixed rate mortgages will roll off onto higher variable rates, raising borrowers' debt servicing costs.

Page 1 of 5

Office Responsible	Minister for Housing, Minister for Homelessness - The Hon Clare O'Neil MP	Adviser	
Contact Officer	S 22	Contact Number	S 22
Division responsible	Housing Division		
Date of Update	15 November 2024		

Housing Market Key Facts and Figures

- Rises in interest rates, dwelling prices and rental prices have contributed to worsening home ownership affordability.
 - Australia remains the least affordable it has been since 2008 according to the HIA Affordability Index which measures the ratio of income to mortgage repayments. National affordability has declined by 3.8 per cent for the year to September quarter 2024.
 - It now takes on average 10.6 years for the median household to save a 20 per cent deposit for a home (as at June 2024). This is above the 10-year average of 9.6 (ANZ-Corelogic Housing Affordability Report, September 2024).
 - In its June 2024 Quarterly Housing Affordability Report, the Real Estate Institute of Australia found that the proportion of income required to meet the average loan payments increased by 1.3 percentage points to 48.1 per cent, the least affordable since REIA monitoring began in 1996.
- Rental market conditions have eased slightly, with vacancy rates reported by CoreLogic at 1.7 per cent in September 2024 up from near record low levels of 1.3 per cent in November 2023. The national vacancy rate recent peak was 3.9 per cent in May 2020.

s 22

- In its June 24 Quarterly Housing Affordability Report, the Real Estate Institute of Australia found that the proportion of income required to meet median rents increased by 0.2 percentage points over the quarter to 24.6 per cent.

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Contact Officer	s 22	Contact Number	s 22
Division responsible	Housing Division		
Date of Update	15 November 2024		

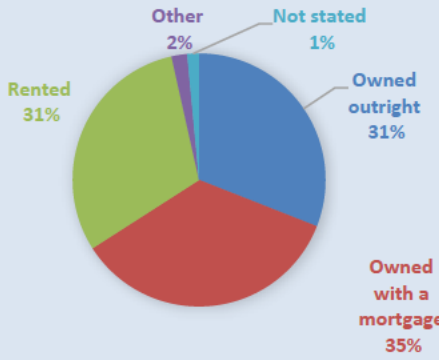
Housing Market Key Facts and Figures

Population forecasts

- In the 2024–25 Budget, Australia’s estimated resident population is forecast to grow from 26.7 million at 30 June 2023 to 28.7 million by 30 June 2028, and to 31.3 million by 30 June 2035.
- Australia’s population growth was 2.5 per cent in 2022–23, and is expected to remain elevated at 2.0 per cent in 2023–24, before gradually slowing from 2024–25 to reach 1.2 per cent by 2034–35.
- In the 2024–25 Budget, net overseas migration is forecast to be 395,000 in 2023–24, 260,000 in 2024–25 and 255,000 in 2025–26, before returning towards the pre-pandemic levels of 235,000 in 2026–27 and beyond.

Office Responsible	Minister for Housing, Minister for Homelessness - The Hon Clare O'Neil MP	Adviser	
Contact Officer	S 22	Contact Number	S 22
Division responsible	Housing Division		
Date of Update	15 November 2024		

Housing Market Key Facts and Figures

Housing market at a glance		CoreLogic Home Value Index (as at 1 November 2024)					Household Financial Ratios	
<ul style="list-style-type: none">Value of Australia’s dwelling stock (Jun-24): \$10.9 trillion(ABS Total Value of Dwellings)Number of residential dwellings (Jun-24): 11.2 million (ABS Total Value of Dwellings)Housing loans outstanding (Sept-24): \$2.1 trillion (ABS Lending Indicators)Median dwelling price (Aug-24): \$802,357 (CoreLogic)Households with a mortgage: 35 per centANZ-CoreLogic house deposit hurdle (Sep-24): 10.6 yearsHIA Affordability Index (Sept-24): 3.8 per cent lower than a year earlier.Almost 1 in 3 of all first home buyers in FY2023-24 were supported by HGS. <p>Tenure type as a share of all households Households include homeowners (with and without mortgages), renters and other tenure types (ABS 2021 Census).</p> 	State	Location	Change in dwelling values			Median Value	<ul style="list-style-type: none">Household debt to disposable income (Dec-23): 185.3%Housing assets to household disposable income (Dec-23): 607.3%Housing debt to housing assets (Dec-23): 22.7% <p>Key housing interest rates and mortgage repayments</p> <ul style="list-style-type: none">RBA Cash Rate: 4.35%Owner-occupied average variable rate (outstanding mortgages) (Sept-24): 6.3%Owner-occupied average new variable rate (new mortgages) (Sept-24): 6.3%Average size of new mortgages (Sept-24): \$642,121 (ABS lending Indicators)Number of fixed rate mortgages rolling off in 2024: 450,000 <p>Upcoming housing data releases</p> <ul style="list-style-type: none">CoreLogic Home Value Index (Nov-24): 2 DecemberABS Building Approvals (Oct-24): 2 DecemberABS Construction Work Done (Sep-24): 27 NovemberABS Private Capital Expenditure (Sep-24): 28 November	
			Month	Quarter	Annual			
	NSW	Sydney	-0.1%	0.1%	3.7%	\$1,193,240		
		Regional	0.5%	0.3%	3.2%	\$737,670		
	VIC	Melbourne	-0.2%	-0.8%	-1.9%	\$778,926		
		Regional	-0.2%	-1.2%	-2.1%	\$562,302		
	QLD	Brisbane	0.7%	2.4%	13.0%	\$883,357		
		Regional	0.8%	2.3%	11.4%	\$677,869		
	SA	Adelaide	1.1%	3.7%	15.0%	\$808,644		
		Regional	1.3%	3.0%	11.3%	\$440,599		
	WA	Perth	1.4%	4.1%	22.6%	\$804,621		
		Regional	1.4%	4.3%	18.1%	\$538,652		
	TAS	Hobart	0.8%	-0.1%	-1.2%	\$650,881		
		Regional	0.7%	0.5%	1.7%	\$514,519		
	NT	Darwin	-1.0%	-1.3%	-0.1%	\$492,692		
	ACT	Canberra	-0.3%	-0.9%	0.4%	\$850,223		
#Rolling 3 month average								
Dwelling Activity (as at Jun-24)*								
				Total (quarterly)	QoQ (%)	TTY (%)		
Total dwelling investment				\$28.6bn	0.1%	-3.0%		
Total dwellings commenced				39, 715	0.5%	-13.5%		
Total dwellings under construction				222,397	-3.1%	-4.8%		
Total dwelling completions				41,329	-9.5%	-8.1%		
Building Approvals (as at Sep-24)*								
				Total (monthly)	MoM (%)	TTY (%)		
Total dwellings approved				14,842	4.4%	6.8%		
Private sector houses				9,745	2.2%	16.7%		
Private sector dwellings excluding houses				4,653	4.7%	-12.2%		
*Note: all data is total private and seasonally adjusted, except for dwellings under construction which is original.								

Effect of interest rate increases on existing mortgages, by loan size (scenario analysis)

Outstanding Loan Balance (Existing borrowers)	Monthly Repayment at 1 November 2024 with 25 years remaining @ retail rate of 7.11%	Cumulative Increase in Monthly Repayment since 1 May 2022	Increase in monthly repayment if changes by:			
			-25 basis points	-50 basis points	+25 basis points	+50 basis points
\$200,000	\$1,428	\$494	-\$32	-\$63	\$32	\$65
\$300,000	\$2,141	\$741	-\$48	-\$95	\$48	\$97
\$400,000	\$2,855	\$987	-\$64	-\$127	\$64	\$129
\$420,000	\$2,998	\$1,037	-\$67	-\$133	\$68	\$136
\$500,000	\$3,569	\$1,234	-\$80	-\$159	\$80	\$162
\$600,000	\$4,283	\$1,481	-\$96	-\$190	\$97	\$194
\$700,000	\$4,997	\$1,728	-\$112	-\$222	\$113	\$226
\$800,000	\$5,710	\$1,975	-\$128	-\$254	\$129	\$259
\$900,000	\$6,424	\$2,222	-\$143	-\$285	\$145	\$291

Note: Assumes 25 years left on mortgage, 100% of loan is on variable rates, retail banks pass through 100% of the cash rate change, and current mortgage rate as of 2 August 2024 is 7.11% (mean April 2022 retail variable rate of 2.86%, plus a 425 basis point increase in the cash rate). We estimate that the average existing owner occupier loan is approximately \$420,000 (Treasury estimate from ABS and RBA data).

Housing Market Key Facts and Figures

Social Housing									
Social Housing Waitlists at 30 June 2023					Social housing dwellings by state at 30 June 2023 (excludes Indigenous community housing)				
State	Public Housing	SOMIH*	Community Housing	Total	Public Housing	SOMIH*	Community Housing		
NSW	50,419	3,715	N/A	54,134	95,765	3,737		53,913	
Vic	53,956	n/a	443	54,399	64,720	n/a		16,363	
Qld	18,608	6,672	25,365	50,645	53,010	3,226		11,665	
WA	19,069	n/a	51	19,120	32,694	n/a		7,978	
SA	14,335	1,512	13,092	28,936	31,577	1,315		12,333	
Tas	4,598	n/a	427	5,025	4,997	164		9,715	
ACT	3,174	n/a	661	3,835	10,827	n/a		1,695	
NT	5,050	3,180	N/A	8,230	4,814	5,586		488	
Australia	169,209	15,079	40,038	224,324	298,404	14,028		114,150	
Data sourced from <i>Table 18A.27 to 18A.7, Report on Government Services 2024, Productivity Commission</i>					Data sourced from <i>Table 18A.3, Report on Government Services 2024, Productivity Commission</i> Note: SOMIH does not operate in Vic, WA or the ACT. Note: Totals do not add up to a social housing dwelling figure in this table as it excludes Indigenous community housing				
* State Owned and Managed Indigenous Housing									
Total social housing dwellings by state over time									
Year	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2022	159,113	82,010	72,580	42,450	46,052	14,526	12,389	12,603	441,723
2021	158,103	80,611	72,086	42,615	46,371	14,361	11,829	12,591	438,567
2020	153,877	80,599	71,424	43,113	46,375	14,274	11,921	12,407	433,990
2019	155,490	81,121	71,429	43,584	46,205	14,034	11,862	12,526	436,251
2018	154,750	80,488	71,045	44,059	46,423	13,288	12,076	12,373	434,502
2017	152,597	80,168	71,331	44,332	47,234	13,479	11,960	12,665	433,766
Data sourced from <i>Table 18A.3m Report on Government Services 2024, Productivity Commission</i>									

Homelessness										
Clients assisted by Specialist Homelessness Services agencies by State and Territory										
Year	NSW	Vic	Qld	WA	SA	Tas	ACT	NT	Total	
2022-23	68,388	98,343	45,469	24,466	19,422	6,672	3,946	10,110	273,648	
2021-22	68,473	101,675	41,587	24,707	18,030	6,977	3,811	10,096	272,694	
2020-21	70,588	105,510	41,227	24,470	18,610	6,567	4,012	10,122	278,275	
2019-20	70,372	115,306	43,094	24,956	19,218	6,444	4,143	10,277	290,462	
2018-19	73,549	112,919	43,087	24,871	19,637	6,623	3,808	9,646	290,317	
2017-18	71,628	116,872	41,118	23,739	19,641	6,508	4,026	9,285	288,795	
Data sourced from <i>Specialist homelessness services annual report (published annually around December), AIHW</i> Data for 2022-23 was revised by AIHW in February 2024										
Census estimates of homelessness by state and territory										
Year	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total	Rate (per 10k)
2021	35,011	30,660	22,428	9,729	7,428	2,350	1,777	13,104	122,494	48.2
2016	37,715	24,817	21,671	9,005	6,224	1,622	1,596	13,717	116,427	49.8
2011	27,479	22,306	19,039	9,191	5,816	1,537	1,738	15,330	102,439	47.6
2006	22,219	17,410	18,859	8,277	5,607	1,145	949	15,265	89,728	45.2
2001	23,041	18,154	19,316	9,799	5,844	1,264	943	16,948	95,314	50.8
Data sourced from <i>Census of Population and Housing: Estimating Homelessness, ABS, 2001, 2006, 2011, 2016, 2021</i>										

Housing Australia Programs				
Home Guarantee Scheme				
The HGS has supported more than 120,000 Australians to purchase or build a home from May 2022.				
Stream	Available places 2024-25	Issued 2024-25	Australians supported 2024-25	On hold 2024-25
FHBG	35,000	8,624	13,972	5,080
FamHG	5,000	269	269	168
RFHBG	10,000	2,770	4,553	1,224
Data as at <u>11 November</u> 2024				
FHBG: First Home Guarantee				
FamHG: Family Home Guarantee				
RFHBG: Regional First Home Buyer Guarantee				
Affordable Housing Bond Aggregator		National Housing Infrastructure Facility		
<ul style="list-style-type: none">Issued over \$2.8 billion in bonds.7 bond issuances with tenors up to 15 years.Housing Australia has approved \$4.1 billion in long term loans to 42 CHPs supporting over 18,800 new and existing homes.This has saved CHPs an estimated \$740 million in financing costs.		<ul style="list-style-type: none">Approved over \$930 million in facilities.Unlocked over 11,700 projected new dwellings.		
Data sourced from Housing Australia’s website in the <i>Our Contribution</i> page. Data is from establishment to <u>31 October</u> 2024.				

Ministerial Submission

MS24-002091

FOR INFORMATION - August 2024 Statements of Assurance for the Social Housing Accelerator

TO: Minister for Housing, Minister for Homelessness - The Hon Clare O'Neil MP

KEY POINTS

- The Social Housing Accelerator (Accelerator) was a \$2 billion payment to states and territories (states) in June 2023. It is expected to deliver around 4,000 new and refurbished social homes.
- States are required to provide six-monthly Statements of Assurance (Statements) on how they are spending their share of the program's funding and how many homes they have delivered.
- Treasury has received final second Statements of Assurance, covering the period from 1 January 2024 to 30 June 2024, from all states except the Northern Territory, who has provided a draft report (summary at [Attachment A](#) and Statements at [Attachments B and C](#)).

Impact on Homes

- The Statements show that as of 30 June 2024, \$150.5 million has been spent, a further \$582.2 million has been committed, 402 dwellings have been completed or refurbished and a further 1,432 dwellings are under construction or have contracts signed with developers.

Public Reporting

- Treasury will provide the 7 final Statements of Assurance to the Council on Federal Financial Relations (CFFR) for out of session noting, then publish the reports on the Treasury's website (see draft webpage content at [Attachment D](#)). Northern Territory's statement will be published at a later date after it has been finalised.
 - The Federation Funding Agreement schedule for the Accelerator allows the Commonwealth to publish the Statements as long as states receive advance notice. National Cabinet tasked CFFR with reviewing each round of Statements of Assurance.
 - All Statements were due to the Commonwealth on 31 August. The delay in finalisation is due to most states submitting their reports late, and the time taken to ensure the reporting meet the requirements.

Communication Opportunities

- You may wish to make public announcements about progress under the SHAP. Treasury can work with your office to prepare national and state based media releases.

Clearance Officer

Nicholas Dowie
Assistant Secretary
Housing Strategy Branch, Housing Division
Ph: 02 6263 3769 Mob **S 22**
24 October 2024

Contact Officer

S 22
Analyst
Ph: **S 22**

CONSULTATION

State and territory housing departments, First Nations and Commonwealth-State Division

ATTACHMENTS

- A: Summary of second statements of assurance
- B: Final SHAP second statements of assurance
- C: Draft SHAP second statement of assurance from NT
- D: Draft webpage content

ATTACHMENT A – SUMMARY OF SECOND STATEMENTS OF ASSURANCE

- The August 2024 Statements of Assurance report the status of Accelerator projects between 1 July 2023 to 30 June 2024. Projects announced after 30 June 2024 are not reflected in the statements.
- For this reporting ‘committed’ is defined as when a state has signed contracts with builders or housing providers.

Table 1: Breakdown of funds from 1 July 2023 to 30 June 2024

Jurisdiction	Total funds allocated \$ millions	Funds committed but not spent \$ millions	% of funds allocated	Funds spent \$ millions	% of funds allocated
New South Wales	610.1	209.9	34%	115.7	19%
Victoria	496.5	4.5	1%	17.0	3%
Queensland	398.3	61.2	15%	5.6	1%
Western Australia	209.2	149.1	71%	11.8	6%
South Australia	135.8	103.7	76%	0.0	0%
Tasmania	50.0	50.0	100%	0.0	0%
Northern Territory*	50.0	3.7	7%	0.4	1%
ACT	50.0	0.0	0%	0.0	0%
Total	2,000	582.2	29%	150.5	8%
<i>1 June 2023- 31 December 2023</i>	-	183.5	9%	~15.8	1%
<i>1 January 2024 – 30 July 2024</i>		398.7	20%	134.7	7%

*Based of draft reports. No major changes to figures expected. All percentages are rounded to nearest whole number

Table 2: Breakdown of dwellings from 1 July 2023 to 30 June 2024

Jurisdiction	Dwellings allocated in implementation plans	Dwellings committed but not commenced	Dwellings commenced but not completed	Dwellings completed
New South Wales	1,500	217	328	351
Victoria	692-769	0	16	24
Queensland	600	111	24	0
Western Australia	598	293	0	27
South Australia	230	319	0	0
Tasmania	116	114	2	0
Northern Territory*	100	8	0	0
ACT	55-65	0	0	0
Total	3,891-3,978	1062	370	402
<i>1 June 2023- 31 December 2023</i>	-	578	168	146
<i>1 January 2024 – 30 June 2024</i>		484	202	256

*Based of draft reports. No major changes to figures expected.



Australian Government
The Treasury

Ministerial Submission

MS25-000424



FOR ACTION - Social Housing Accelerator Payment – Progress update and correspondence to states seeking assurance of program delivery

TO: Minister for Housing, Minister for Homelessness - The Hon Clare O'Neil MP

TIMING

By 10 April 2025, to give states and territories sufficient time to put in place any remediation strategies to commit all funding provided by the Australian Government for the Social Housing Accelerator Payment (SHAP) by the deadline of 30 June 2025.

Recommendation

- **Note** that to 31 December 2024, 53 per cent of funding provided to states and territories (states - or \$1.064 billion) through the SHAP has been committed or spent and only two states have committed or spent at least 99 per cent of their funding.

Noted / Please discuss

- **Note** that to 31 December 2024, 2518 homes, or 63 per cent of the number of homes the SHAP is projected to deliver have been completed, commenced or committed.

- **Sign** the letters to six states who have not committed their funding seeking assurance that they are on track to have all funding committed by 30 June 2025 (Attachments B to G).

Signed / Not signed

Signature

Date: / /2025

KEY POINTS

- The Social Housing Accelerator Payment (SHAP) is a \$2 billion payment to states and territories (States) to deliver around 4,000 new or refurbished social homes (including acquisitions that add to total and social housing stock).
- Under the SHAP Federal Funding Agreement (FFA), states are required to commit all funding by 30 June 2025. This means funding needs to be allocated through a formal contract for all projects, or major components of a project, or spent by 30 June 2025.

Outcomes under the SHAP to 31 December 2024

- Latest reporting by states shows that for the first 18 months of the program to 31 December 2024, the SHAP has funded the completion of 620 new social homes.
 - This includes 379 refurbished dwellings, 93 new buildings and 148 acquisitions that increase both social and total housing stock.
 - 92 dwellings were completed with First Nations people as an intended priority cohort.
- States also have a further 1,033 dwellings under construction and contracts for a further 865 dwellings are signed as at 31 December 2024.
- This means that 2518 homes, or 63 per cent of the number of homes the SHAP is projected to deliver have been completed, commenced or committed.
- 53 per cent or \$1.064 billion has been committed or spent by states.
 - Tasmania has committed or spent its \$50 million and met the 30 June 2025 milestone. WA is also close to the milestone, having committed or spent 99 per cent of its \$209.2 million allocation.
 - Three states have only committed or spent less than one-third of their funding (VIC, QLD and ACT).

s 22

- NSW has committed or spent 73 per cent of its funding and SA 76 per cent.
- Attachment A provides a summary of funding committed and spent and dwellings committed, commenced or completed broken down by state.

Next Steps

- We recommend you write to six states asking for their assurance they are on track to meet their commitments under the SHAP (Attachments B to G).
 - We have not prepared draft letters to write to Tasmania or WA as these states have committed or spent over 99 per cent of its funding.

- Your draft also clarifies that any updates to state implementation plans for genuinely unforeseen circumstances be sought through correspondence with you. This is to address an ambiguity in the FFA on your role approving revised Implementation Plans.

Background

- Treasury has received signed Statements of Assurance on progress to 31 December 2024 from all states (summary at Attachment A and Statements at Attachments H to Q). Data included in this ministerial submission is from updated Statements of Assurance provided by officials throughout March 2025 and still proceeding through formal approval processes. Data for these two states is not expected to change as the updates are in response to anomalies identified by Treasury. The two draft Statements of Assurance have been provided for your reference.

Clearance Officer

Nicholas Dowie
Assistant Secretary
Housing Strategy Branch, Housing Division
Ph: 02 6263 3769 Mob: S 22
27 March 2025

Contact Officer

S 22
Director, Governance, Coordination and
Market Regulation Unit
Ph: S 22

CONSULTATION

State and territory housing departments, Commonwealth-State Division

ATTACHMENTS

A: Summary of February 2025 statements of assurance
B: Draft letter to NSW
C: Draft letter to VIC
D: Draft letter to QLD
E: Draft letter to SA
F: Draft letter to NT
G: Draft letter to ACT
H: NSW Statement of Assurance
I: VIC Statement of Assurance
J: QLD Statement of Assurance
K: SA Statement of Assurance
L: TAS Statement of Assurance
M: ACT Statement of Assurance
N: WA Draft Statement of Assurance
O: NT Draft Statement of Assurance

ADDITIONAL INFORMATION

Publication of Statements of Assurance

- Consistent with previous processes, Treasury will arrange for the 8 final Statements of Assurance to be circulated to the Council on Federal Financial Relations (CFFR) for out of session noting.
- Following this process, we will publish the reports on the Treasury's website.
- As context, the Federation Funding Agreement schedule for the SHAP allows the Commonwealth to publish the Statements as long as states receive advance notice. National Cabinet tasked CFFR with reviewing each round of Statements of Assurance.
- States have advised of redactions they are seeking to public versions of their Statements.

ATTACHMENT A – SUMMARY OF THIRD STATEMENTS OF ASSURANCE

- The February 2025 Statements of Assurance reports the status of SHAP projects from the reporting period of 1 July 2024 – 31 December 2024 and up to 31 December 2024.
- For this reporting 'committed' is defined as when a state has signed contracts with builders or housing providers.

Table 1: Breakdown of funds from 1 July 2023 to 31 December 2024

Jurisdiction	Total funds allocated	Six months to 31 December 2024 (\$ millions)			Total as at 31 December 2024 (\$ millions)			Funds on track
	Paid in 2022-23	Committed	Spent	Sub-total	Committed	Spent	Sub-total	% of funds allocated
New South Wales	610.1	73.4	98.9	172.3	228.6	214.7	443.3	73%
Victoria	496.5	52.0	39.5	91.5	56.5	56.6	113.1	23%
Queensland	398.3	28.7	38.3	67.0	71.6	44.1	115.8	29%
Western Australia	209.2	32.8	22.1	54.9	173.5	33.9	207.3	99%
South Australia	135.8	0.0	4.6	4.6	98.8	4.6	103.5	76%
Tasmania	50.0	0.0	2.9	2.9	47.1	2.9	50.0	100%
Northern Territory	50.0	9.1	4.7	13.8	13.2	5.2	18.4	37%
Australian Capital Territory	50.0	11.4	1.3	12.7	11.4	1.3	12.7	25%
Total	2,000.0	207.4	212.3	419.6	700.8	363.2	1064.0	53%

Table 2: Breakdown of dwellings from 1 July 2023 to 31 December 2024

Jurisdiction	Implement- ation Plans	Six months to 31 December 2024 (\$ millions)				Total as at 31 December 2024 (\$ millions)				Funds on track
	Planned Dwellings	Committed	Commenced	Completed	Sub-total	Committed	Commenced	Completed	Sub-total	% of funds allocated
New South Wales	1500	48	224	73	345	143	535	424	1102	73%
Victoria	692-769	0	74	38	112	0	90	62	152	23%
Queensland	600	33	136	30	199	43	142	30	215	29%
Western Australia [^]	598	56	160	77	293	302	160	104	566	99%
South Australia [*]	230 [*]	0	50	0	50	269	50	0	319	76%
Tasmania	116	0	6	0	6	108	8	0	116	100%
Northern Territory [^]	100	0	31	0	31	0	31	0	31	37%
Australian Capital Territory	55-65	0	17	0	17	0	17	0	17	25%
Total	Around 4,000	137	698	218	1053	865	1033	620	2518	63%

^{*} SA estimates of the number of planned dwellings do not reflect the outcome of a competitive bidding process which subsequently identified more homes

[^] WA and NT Statements of Assurance are awaiting final clearance. Estimates in this table are drawn from cleared Statements of Assurance and not expected to change following minor corrections to detailed tables by WA and NT in revised Statements of Assurance.

[#] VIC and ACT have provided a range. Percentage has been calculated using the median figure.

Note: Categories committed, commenced and completed are mutually exclusive.

Social Housing Accelerator

KEY MESSAGE

- In June 2023, the Government paid the \$2 billion Social Housing Accelerator to the states and territories (states) to deliver thousands of new and refurbished social homes across Australia.

KEY FACTS AND FIGURES

- The \$2 billion Social Housing Accelerator was announced on 17 June 2023 and delivered to the states in that month so they could start investing in new social homes straight away.
- This investment is expected to deliver around 4,000 new and refurbished homes for Australians on social housing waiting lists.
- The states are required to commit all funding by 30 June 2025, with the aim of having all new homes built or renovated by 2028.
- Premiers and Chief Ministers are ensuring that this additional investment in housing works alongside improved planning and zoning regulations and faster land release.
- The states are required to meet rigorous reporting and assurance requirements to demonstrate that the projects are additional to business as usual and permanently increase the supply of social housing.
 - This includes providing implementation plans and six-monthly progress reports. The Treasury’s website publishes all progress reports.
 - The states progress reports to the period to 31 December 2024 were due to the Commonwealth by 28 February 2025 and are currently being finalised.
- The latest finalised progress reports show that as of 30 June 2024, 402 dwellings have been delivered or refurbished and a further 1,432 are under construction or have contracts signed with developers.
- The \$2 billion payment does not replace Commonwealth funding through other mechanisms such as the National Housing and Homelessness Agreement.

Office Responsible	Minister for Housing, Minister for Homelessness - The Hon Clare O'Neil MP	Adviser	
Contact Officer	S 22	Contact Number	S 22
Division responsible	Housing Division		
Date of Update	20 March 2025		

Social Housing Accelerator

BACKGROUND

- Implementation plans detail the quantity, location and delivery method for the new social homes. Final plans are available on the Treasury’s website.
 - States may update their plans over time, including to provide additional information on expected project outcomes where this is no longer commercially sensitive.
- The 402 dwellings delivered, as at June 2024, comprise 314 refurbished dwellings and 88 new dwellings (of which 24 dwellings were acquired and increase both social housing and total housing stock).
- States are required to submit six-monthly reports outlining how they are spending the Accelerator funds, including providing updates on the number of social homes delivered and changes to social housing waiting lists.
- The states have some flexibility in determining how the funds are spent. This includes how funding is allocated to new builds; the purchase of new build properties or conversion of non-residential properties where it increases social housing and total housing stock; expanding existing programs; and renovating or refurbishing existing but inhabitable stock.
- Tasmania, the ACT and NT each received a \$50 million funding floor to ensure the smaller states are well equipped to invest in more social housing.
- The following table outlines the overall funding and expected dwellings, and progress as at 30 June 2024.

Jurisdiction	Total funds allocated \$ millions	Funds committed but not spent \$ millions	Funds spent \$ millions	Dwellings allocated in implementation plans	Dwellings commenced or contracted	Dwellings completed
New South Wales	610.1	209.9	115.7	1,500	545	351
Victoria	496.5	4.5	17.0	692-769	16	24
Queensland	398.3	61.2	5.6	600	135	0
Western Australia	209.2	149.1	11.8	598	293	27
South Australia	135.8	103.7	0.0	230	319	0
Tasmania	50.0	50.0	0.0	116	116	0
Northern Territory*	50.0	3.7	0.4	100	8	0
ACT	50.0	0.0	0.0	55-65	0	0
Total	2,000	582.2	150.5	3,891-3978	1,432	402

Office Responsible	Minister for Housing, Minister for Homelessness - The Hon Clare O'Neil MP	Adviser	
Contact Officer	s 22	Contact Number	s 22
Division responsible	Housing Division		
Date of Update	20 March 2025		

Supplementary Budget Estimates 2024 - 2025

FOI 3957
Document 14

TOPIC: **PROGRESS UNDER THE SOCIAL HOUSING
ACCELERATOR**

WITNESS: Nicholas Dowie

Strategic Narrative

- The Social Housing Accelerator (Accelerator) was a \$2 billion payment to states and territories (states) in June 2023. It is expected to deliver around 4,000 new and refurbished social homes.
- States are required to commit all funding by 30 June 2025, with the aim of having all new homes built or renovated by 2028.

KEY FACTS AND FIGURES – As of 30 June 2024

- 402 dwellings have been delivered, work has commenced on a further 370 and funding committed for a further 1062 (i.e. have contracts signed with the developer).
- \$150.5 million has been spent and a further \$582.2 million has been committed.

- States are required to meet rigorous reporting and assurance requirements to demonstrate that the projects are additional to business as usual and permanently increase the supply of social housing.
 - This includes providing implementation plans and six-monthly progress reports.
 - Statements of Assurance are published on the Treasury website after finalisation.
- Funding can be allocated for new builds; the purchase of newly built properties or conversion of non-residential properties where it increases social housing and total housing stock; expanding existing programs; and renovating or refurbishing existing but inhabitable stock.

	Name and Role	Group/Branch/Organisation	Phone (w)	Phone (mob)
Cleared By	Name: Nicholas Dowie Role: Assistant secretary	SHCoL, Housing Division, Housing Strategy Branch	0262633769	s 22
Contact Officer	Name: s 22 Role: Director	SHCoL, Housing Division, Housing Strategy Branch	s 22	s 22

Supplementary Budget Estimates 2023 - 2024

FOI 3957
Document 15

TOPIC: CONSTRUCTION

WITNESS: Kerren Crosthwaite
First Assistant Secretary

Strategic Narrative

- The pace of housing construction has been slow in recent years, despite the ambitious Accord target, as a result of high interest rates, labour shortages, and significant price rises for key inputs flowing from the pandemic.
- The Government is aware the residential construction sector is under pressure and is focused on improving the long-term resilience of Australia’s small businesses, including those in the residential construction sector. This will make it easier for them to bounce back following the many challenges they have faced in recent years.

KEY FACTS AND FIGURES *Detail may inform the Key Facts and Figures Brief

- Consistent with low building approvals over the last year, **dwelling investment** grew by only 0.1 per cent in the June quarter 2024 to be 3.0 per cent lower through the year. Dwelling investment is forecast to remain flat in 2024-25 and grow by 6½ per cent in 2025-26 (Source: ABS, National Accounts and Treasury forecasts).
 - In the year to March 2024, total private dwelling **commencements** fell 12.8 per cent, while total private dwellings **approvals** are now around levels observed in mid-2012.
 - **Dwellings under construction** fell 5.9 per cent in the year to March 2024, while the number of private sector detached houses under construction fell from record highs around 104,000 in March 2023 to around 87,000 in June 2024. This compares to around 60,000 prior to the pandemic (Source: ABS, Building Activity).
- **Construction costs** have increased by 30 per cent since the pandemic, driven by strong demand for housing and higher materials and labour costs (Source: ABS Labour Account, ABS Wage Price Index and Bloomberg).
 - Materials costs remain around 34 per cent above pre-pandemic levels, while labour costs are up 28.2 per cent.
 - COVID-19 supply chain disruptions and elevated demand for building materials globally have meant that materials and labour

have been difficult to source, increasing costs and extending build times. The pipeline of detached housing generated by the pandemic is still being worked through.

- **Labour availability** remains a significant constraint in the construction sector. The proportion of jobs that are vacant in the construction industry remains 70 per cent higher than the 30-year average, despite declining from its 2022 peak (Source: ABS, Labour Account).
 - Skills shortages are expected to persist, given the almost 40 per cent increase in residential building completions that are needed to meet the 1.2 million homes target (an increase of 240,000 homes per year).
 - Competition for construction skills, low apprenticeship retention and limited use of construction worker visas are contributing to shortage.
 - Plumbers, electricians and glaziers are in notable shortage. Certain regions, including Western Australia, are experiencing acute shortages due to strong infrastructure programs (Jobs and Skills Australia).
- **House construction input prices** rose by 1.1 per cent through the year to the June quarter 2024, easing from a peak of 17.3 per cent through the year to June quarter 2022 (Source: ABS, Producer Price Index).
 - While prices for key materials such as timber and steel have fallen through the year, there continues to be persistent pressures in cement products and finishing trades material prices such as paint and electrical equipment.
 - Between December 2019 and June 2024, the costs of timber increased by 39 per cent, steel by 29 per cent, concrete by 26 per cent and glass by 41 per cent.
- Since April 2022, **corporate insolvencies in the construction sector** have increased as a result of an unwinding of paused insolvency activity during the COVID-19 period. Higher input costs and their interaction with fixed price contracts have also played a role. However, total corporate insolvencies remain lower than the long term historical average (Source: ASIC).
 - The level of corporate insolvencies as a share of total companies was 0.34 per cent from September 2023 to August 2024, which is lower than the long-term historical average of 0.42 per cent.
 - Construction insolvencies represent 25.5 per cent of total corporate insolvencies from September 2023 to August 2024, and accounted for the largest share of corporate insolvencies during the period.

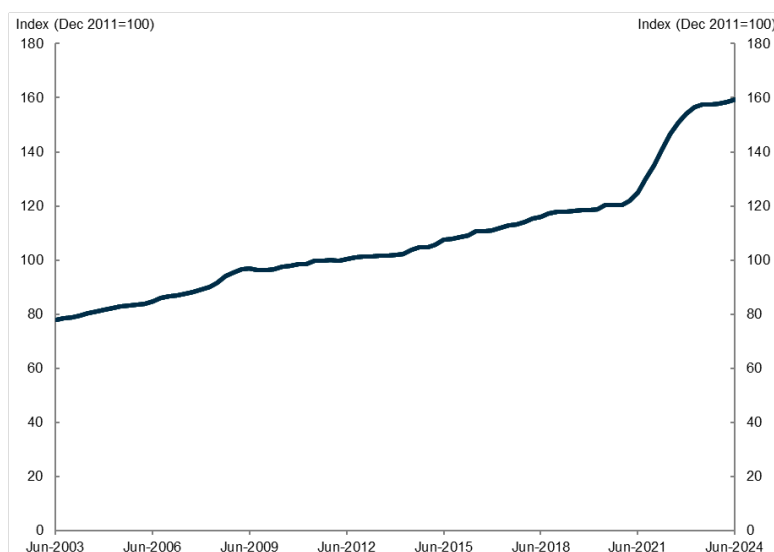
- From September 2023 to August 2024, there were 2,974 insolvencies in the construction sector. This is 24.0 per cent higher compared to a year earlier (Sept 22 to Aug 23) and 100.4 per cent higher than the average annualised insolvencies for the period between September 2015 and August 2018 (pre-COVID).

Background

- Over 2020-21, the residential construction sector, particularly in detached housing construction, experienced a boom driven by historically low interest rates and fiscal policy support by both state and federal governments associated with the pandemic. Many projects in the detached housing pipeline generated by the pandemic boom are now in the finishing stages.
 - There were around 146,000 private house approvals in 2020-21, a financial year record. This compares with an annual average of around 114,000 approvals over the previous five financial years (Source: ABS, Building Approvals).
- New workers entering construction are unable to meet labour demand. Competition for construction skills, low apprenticeship retention and limited use of construction worker visas are contributing to persistent labour shortages.
 - In the year to February 2024, 107,000 construction workers left the industry – 24 per cent more than the 10-year average of 86,000 (Source: ABS, Labour Mobility). The most common reason was retrenchment, which doubled in the year to February 2024, reflecting more challenging economic conditions and elevated insolvencies.
 - The construction sector struggles with low apprenticeship retention. The number of apprentices-in-training has increased sharply in recent years, however only half of these construction apprentices complete their training. Current completion numbers are below the early 2010s level (Source: NCVER, Apprenticeships).
- Strong competition from the infrastructure and resources sectors has diverted labour away from residential construction with higher pay offers.
 - Employment in non-residential building construction rose 60 per cent in the year to May 2024, as states expanded their infrastructure programs, while employment in residential building declined by 11 per cent (Source: ABS, Employed persons by ANZSIC).
 - Combined infrastructure investment is projected to exceed \$160 billion in 2025, four times the investment in 2016 (Source: Infrastructure Australia).

- House construction costs, as measured by input prices to the house construction industry in the Producer Price Index (PPI) rose 0.4 per cent in the June quarter 2024, to be 1.1 per cent higher through the year.
 - House construction costs increased by 34.0 per cent compared to pre-pandemic levels (since March quarter 2020) and by 53.2 per cent over the 10 years to the June quarter 2024 (**Chart 1**).
 - Timber, board and joinery' prices been higher since the pandemic due to global supply shortages and increased demand for softwood.
 - 'Concrete, cement and sand' price increases have been driven over the same period by increased costs of producing these inputs along with high construction demand. This has also affected glass prices.
 - Steel and concrete prices may also be being affected by long quarry times of between 5 to 10 years between quarry application approval and extraction. Infrastructure Australia's Market Capacity report has raised concerns that the domestic capacity of steel and quarry product supply cannot meet demand in particular regions for this reason.

Chart 1 – House construction input prices, weighted average of 6 capital cities



Note: PPI House construction input prices only includes material prices.

Source: ABS Producer Price Indexes: Input to the House Construction Industry.

- Consistent with slowing demand, the PPI house construction input price growth is expected to continue to ease although remaining at an elevated level (Source: ABS, Producer Price Index).
 - Less demand for early-stage construction materials such as timber and steel (given the pipeline has moved to finishing stages) has meant their prices fell from high levels or remained flat in the June quarter 2024.
 - Later-stage materials such as paints and ceramic products have continued to rise.

- Fixed price contracts in the residential construction industry have limited the ability of builders to pass on cost increases for existing projects, which has increased financial pressures.
 - Many builders have been working at capacity, with disruptions to supply of materials and extended build times reducing their capacity to take on new projects and adjust their prices.
 - Reports indicate that builders increasingly look to move to cost-plus contracts in order to adapt and pass on the increased costs to consumers. Anecdotal reports also suggest builders and home owners are negotiating on pricing and timelines in light of the unprecedented challenges.
- Housing inflation was 1.1 per cent in the quarter to be 5.2 per cent through the year. The main contributors to the quarterly rise were rents (up by 2.0 per cent) and new dwelling purchase by owner occupiers (up by 1.1 per cent).
 - Rents slowed slightly in growth due to Commonwealth Rent Assistance (CRA) which increased on 20 March 2024 due to the usual biannual indexation, with most of the impact captured this quarter.
 - The price rise for a new dwelling purchase by owner-occupiers has remained stable this quarter amid subdued new demand. Builders continue to pass-on higher labour and material costs.

Additional information on state government measures

- The Western Australian Government announced in January 2024 the Builders' Support Facility to assist builders in clearing through outstanding home construction.
 - The \$10m facility provides interest free 5-year loans of up to \$300,000 (\$60,000 per property) to assist builders in completing homes commenced prior to 1st January 2022.
 - To be eligible, builders must be a solvent WA-based residential builder that has been in continuous business in Western Australia for more than four years; and have one or more uncompleted homes in Western Australia that commenced construction prior to January 2022.
- The Victorian government previously ran a scheme in 2023 that supported victims of liquidated builders after the collapse of Porter Davis, where customers had paid for Domestic Builders Insurance but had not been covered due to the actions of the builder.
 - Support payments of up to \$50,000 were expanded to include other builders who entered liquidation between 1 July 2022 and 30 June 2023.

	Name and Role	Group/Branch/Organisation	Phone (w)	Phone (mob)
Cleared By	Name: s 22 Role: Director, Housing Strategy and Research Unit	Housing Strategy Branch	s 22	s 22
Contact Officer	Name: s 22 Role: Assistant Director, Housing Strategy and Research Unit	Housing Strategy Branch	s 22	
Consultation	Name: s 22 Role: Director, Research and Reporting Unit	Office of the National Housing Supply and Affordability Council		s 22



THE HON CLARE O'NEIL MP
MINISTER FOR HOUSING
MINISTER FOR HOMELESSNESS

Ref: MS24-001959

The Hon Jim Chalmers MP
Treasurer
Parliament House
CANBERRA ACT 2600

Senator the Hon Katy Gallagher
Minister for Finance
Minister for Women
Minister for the Public Service
Parliament House
CANBERRA ACT 2600

Dear Treasurer and Minister

I am writing to provide you with an update on the outcomes of the Housing Australia Future Fund (HAFF) Round 1 following the announcement I made jointly with the Prime Minister on 16 September 2024.

The Housing Australia Board approved over 13,700 dwellings across 185 preferred projects to progress to contract negotiation. This is a positive outcome, representing one-third of the Government's target of supporting 30,000 new social and affordable homes over 5 years under the HAFF and a further 10,000 affordable homes under the National Housing Accord. Importantly, around 700 of these homes are expected to be ready for occupation by 30 June 2025, with almost 4,400 ready to begin construction in the same period.

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Yours sincerely

A handwritten signature in dark ink, appearing to read 'Clare O'Neil'.

CLARE O'NEIL

2 / 10 / 2024

CC: The Hon Anthony Albanese MP, Prime Minister



Australian Government
The Treasury



Meeting Brief
MB25-000034

FOR INFORMATION - Meeting Brief - National Affordable Housing Alliance

s 22



- Australian Bureau of Statistics data released in January 2025 shows that in the first three months of the National Housing Accord, construction started on 43,247 homes. This is below the 60,000 new homes needed per quarter to meet the target.



Australian Government
The Treasury



Meeting Brief

MB25-000004

FOR INFORMATION - Minister O’Neil keynote address at the Master Builders National Industry Summit on Tuesday 4 February 2025, Dame Dorothy Tangney Alcove, Parliament House

s 22

- Australian Bureau of Statistics data released in January 2025 shows that in the first three months of the National Housing Accord, construction started on 43,247 homes. This is below the 60,000 new homes needed per quarter to meet the target.

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ATTACHMENT B: RECENT MBA MEDIA RELEASES

Media Release: Builders urge caution over legislating fee free TAFE – 17 January 2025

- Responding to the inquiry into the *Free TAFE Bill 2024*, MBA cautioned against legislating the policy in the absence of data and its unintended consequences.
- MBA CEO Denita Wawn noted that free TAFE initiatives unfairly distort the market towards TAFE-delivered courses over industry-led providers.
- She said that MBA had not seen the free TAFE policy bring more people into building and construction apprenticeships and that the proposed Bill is anti-competitive. If the Government does seek to pass the Bill, it must be amended to include not-for-profit industry-run registered training organisations.
- She also stated that: “this Federal Election, we are looking at all parties for practical and evidence-based solutions to labour shortages in the industry which is crucial to addressing the housing crisis”.

Media Release: Positive signs in new home construction but still a long way to go – 22 January 2025

- Following the release of the Australian Bureau of Statistics Building Activity statistics for the first three months (July to September 2024) of the National Housing Accord (Accord), MBA welcomed the strong rebound in new detached housing while noting there is a long way to go to reach the level of output required to meet the Accord target.
- MBA CEO Denita Wawn noted that performance in apartment construction will be the key to whether Australia meets the target. Apartment construction levels remain too low because the investment appetite is not there.
- She stated that: “Low productivity, labour shortages, costly and restrictive CFMEU pattern agreements, a lack of supporting infrastructure and a high inflationary environment all contribute to project costs not stacking up. If we are going to solve the housing crisis, we need to build more apartments and make them more attractive for people to invest in – only then will we see a lowering of rental inflation and more homes for Aussies”.

Media Release: Builders respond to long-awaited apprenticeship incentive system review – 24 January 2025

- MBA welcomed the release of the *Strategic Review of the Australian Apprenticeship Incentive System*. MBA CEO Denita Wawn noted that:
 - “Labour shortages are currently the biggest handbrake on fixing the housing crisis.”
 - “Master Builders has worked closely with Dr Iain Ross AO and Ms Lisa Paul AO PSM who led the review, and we sincerely thank them for listening to the concerns of employers and the broader building and construction industry.”

- “Employing an apprentice comes at a cost. Not just their wage, but the hours spent teaching them, covering their training costs, and managing the associated administration, and helping them navigate the workforce which all adds up.”
- “A robust incentive system must provide assurance and minimise risk. It should mean that the employer does not shoulder the entire cost burden for the 50 per cent of apprentices who do not complete their studies.”
- “A better incentive system should free an employer to focus on training and teaching: this is especially important in the first and second years.”
- “Master Builders will work through the recommendations in the review and urges the Federal Government to prioritise the consultation and implementation of non-contentious recommendations as we do not have time to waste.”

Media Release: Builders applaud apprenticeship incentive boost – 24 January 2025

- Following the announcement that the new *Key Apprenticeship Program* will establish a Housing Construction Apprenticeship stream to provide eligible apprentices with \$10,000 in staged incentive payments over the life of their apprenticeship, MBA stated that the “the importance of addressing the chronic tradie shortage to be able to overcome Australia’s housing crisis” has been recognised by the Albanese Government. MBA CEO Denita Wawn noted that:
 - “Australia’s building and construction industry faces the enormous task of building enough homes, commercial premises and infrastructure to meet increasing demand and a growing population. Labour shortages are currently the biggest handbrake on fixing the housing crisis.
 - “Coupled with government funding of fee free vocational education and training, there is no better time to pick up the tools and become a tradie.
 - “The revised staggering of payments is something Master Builders Australia has long called for, so there is a financial incentive for apprentices to complete their training.
 - “Around 50 per cent of all apprentices do not complete their training – the new staged payments approach will hopefully see the rate of completions increase.
 - “Builders would like to see this payment expanded to other areas of the building and construction industry that are also facing chronic shortages and crying out for more apprentices. Without roads, rail, sewerage and water we can’t build more homes for Aussies.
 - “We are disappointed that the high costs associated with hiring and training and apprentices has not been recognised as yet. 98 per cent of businesses in building and construction are small and they are doing it tough.
 - “Master Builders continues to call for a robust incentive system that supports employers and minimises the risk with taking on an apprentice who may or may not complete their training.”

ATTACHMENT C: RECENT MBA SUBMISSIONS TO GOVERNMENT

MBA submission to the Independent Statutory Review of the Fair Work Amendment (Secure Jobs, Better Pay) Act 2022

[Submission to the Independent Statutory Review of the Fair Work Amendment \(Secure Jobs, Better Pay\) Act 2022 – Master Builders Australia](#)

MBA submission to inquiry into Australia's financial regulatory framework and home ownership to the Senate Economics References Committee

[Submission to inquiry into Australia's financial regulatory framework and home ownership – Master Builders Australia](#)

MBA submission to Australian Building Codes Board (ABCB) on the Principles and scope of a Building Product Registration Scheme

[Submission on the Principles and scope of a Building Product Registration Scheme – Master Builders Australia](#)

MBA 2024-25 Pre-Budget Submission

<https://consult.treasury.gov.au/pre-budget-submissions/download/fil2daad86c70c67905339d8>

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- As a start, we know that the higher construction costs we are seeing reflect higher interest rates and increases in both labour and materials costs. We also know that build times have increased since the pandemic as a result of supply bottlenecks and higher prices.
 - Apartment, townhouse and detached house completion times increased nationally by 39 per cent, 34 per cent and 42 per cent respectively over the 10-year period to 2022-23.

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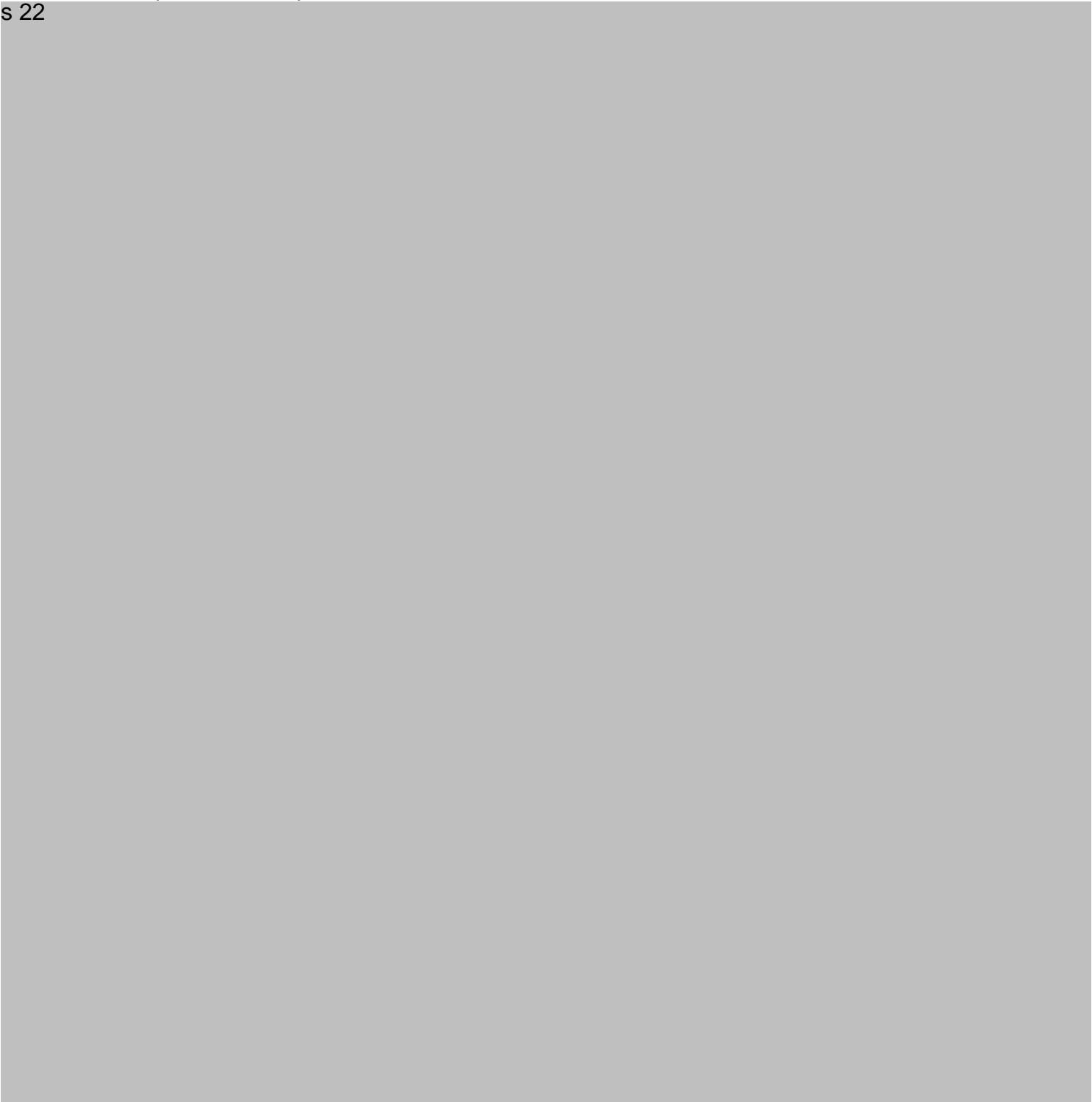
Australian Government
The Treasury



Meeting Brief
MB25-000085

FOR INFORMATION - Minister O’Neil at HIA National Conference on 16 May 2025, Goldfields Theatre, Ground Floor, Melbourne Convention and Exhibition Centre

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ATTACHMENT C: RECENT HIA MEDIA RELEASES

Media Release: Housing industry welcomes Albanese cabinet appointments – 12 May 2025

- In response to the announcement of the cabinet, the HIA “has called on the next term of government to specifically focus on increasing housing supply with dedicated programs targeted towards boosting private housing and rentals”. The HIA also stated that:
 - “Having a dedicated special envoy focused on social housing and homelessness, will provide Housing Minister, Clare O’Neil with the ability to pull out all stops and focus on fast tracking the implementation of the key housing commitments set out in the lead up to the election to boost housing supply and increase home ownership rates.
 - The Productivity Commission report into productivity in the construction sector provides a comprehensive policy blueprint for reform and HIA is calling on new Ministerial appointments to action the recommendations from this report as part of their first order of priorities. In doing so it can substantially turn the dial to address the nation’s critical housing shortages and support our industry to build the homes Australia desperately needs”.

Media Release: Low volume of home building but labour shortages linger – 7 May 2025

- The HIA stated the following in conjunction with the release of its 7 May 2025 Trades Report, which provides “a quarterly review of the availability of skilled trades and any demand pressures on trades operating in the residential building industry”.
 - “Despite the low volume of home building, skills shortages are persisting on the back of labour demands from other construction sectors and the wider economy. Excluding the extremes of the pandemic, one would have to go back to before the GFC to find trades shortages as acute as they are now.
 - Home building is set to gain momentum across Australia as interest rates fall, and this will further add to demand for skilled labour. Activity has already been increasing in Western Australia, Queensland and South Australia on the back of strong population growth, low unemployment, tight rental markets and rising prices, and recovering real incomes.
 - The shortage of skilled trades across Australia persists in every capital city and region. An increase in home building will further add to demand for skilled labour and put further upward pressure on labour prices.
 - Despite the expected increase in home building, commencements will remain well below those necessary to achieve 1.2 million homes over five years. Home building activity has contracted significantly in the Sydney basin, Melbourne and the ACT, but even this has not been sufficient to arrest the rise in trades prices nationally.
 - The result of these shortages is that the price of trades has increased again by 5.5 per cent in the 12 months to March 2025, compared to the broader Australian wage growth closer to 3 per cent.

- Reforms to skilled migration, including a dedicated construction visa, are needed to attract skilled tradespeople from overseas during cyclical peaks in activity. Of the 166,830 temporary skilled workers (Visa Subclass 482) in Australia at the end of 2024, only 4,229 were in home building trade occupations.
- Over the medium-to-long term, a domestic workforce development strategy is required that promotes careers in construction to students, recent leavers and Australians more broadly, male and female, young and old. Greater support is also needed for apprentices, the public and private organisations that train them, and the businesses that provide them with supervision and on-site experience”.

Media Release: Building approvals strengthen in March quarter – 6 May 2025

- Following the release of the ABS building approvals data for March 2025, the HIA stated “there were 48,620 new homes approved for construction in the first quarter of 2025, up by 20.8 per cent on a year earlier”.
 - Much of the improvement over the last year has come from multi-unit approvals, which were up by 52.6 per cent on the very low levels a year earlier, while detached approvals are up by a more modest 4.2 per cent.
 - Despite the improving numbers over the last year, building approvals are still running at around 180,000 per year, well short of what is required to commence 1.2 million homes over 5 years.
 - It is also important to remember that many recent apartment approvals are likely to be ‘faux’ approvals. A change in market conditions have meant that a number of apartment projects that were already approved for construction will need to seek re-approval and comply with the new construction code. The higher cost of construction will further impair sales volumes.
 - There are a very large number of apartments approved for construction across capital cities, but only a small number of these will commence construction. Punitive taxes that effectively exclude certain investors from the market add further time and difficulty in finding buyers for new apartments, even after they have been approved.
 - Multi-unit activity needs to be twice as large as recent levels for the Australian government to achieve its target of 1.2 million new homes over five years.
 - As it stands, the government is set to fall almost 20 per cent short of its own target and a few interest rate cuts from the RBA won’t be sufficient to increase the supply of homes to meet the 1.2 million target”.

Media Release – New Government must put housing as first order of business – 4 May 2025

- In response to the election of the Government, the HIA stated “access to a home - whether to rent or own - is becoming unattainable for too many Australians. This is a challenge that demands a major response in the first days and weeks of the new term of government”. The HIA goes on to state the following.

- HIA has been clear throughout the election campaign that all sides of politics must provide bold and courageous leadership to deliver on the nations' critical housing shortages and meet the National Housing Accord target of 1.2 million new homes.
- The industry has laid out the plan - through HIA's Let's Build agenda - to fast-track planning, unlock land, invest in infrastructure, and build the skilled workforce needed to deliver the homes Australia needs.
- Too often, we see housing policy used as a platform to showboat rather than solve real problems. Australians want practical and meaningful reform. Holding housing legislation hostage to political theatre only pushes the dream of home ownership further out of reach.
- We've heard it too often - that housing and planning is a state issue, or that the Commonwealth has limited levers to pull. That excuse simply doesn't stack up anymore.
- The Federal Government has the influence, the resources and the leadership role to bring all levels of government together. It can drive the coordinated policy, funding and reform needed to move the dial on supply and affordability - not just tinker at the edges.
- This was reinforced in yesterday's election results and with voters outlining housing as a key issue to be addressed as a matter of priority. We urge the new Government and the entire Parliament to work together to implement the solutions already on the table.
- Housing Australians must not become a casualty of politics-as-usual. We can't afford more years of delay and stalling of key policies being implemented - we need action within weeks not years".

Media Release – Funding to fast-track trades qualification can help get more homes built quicker – 24 April 2025

- Following the Labor election announcement of \$78 million to fast track the qualification of up to 6,000 tradespeople, the HIA stated that "there are many highly talented experienced workers in our industry that have learnt their craft on site, but may not have undertaken or completed their formal training. Obtaining the due recognition for their experience without having to complete a full qualification is considered a major barrier".
 - This has been particularly problematic for mature aged workers or those seeking to make a career change, and their extensive and often comparable knowledge and working experience has not been recognised adequately or dismissed outright. It is important that we consider initiatives like this that not only attract new workers to construction, but help retain the workforce we have.
 - The Advanced Entry Trades Training program announced today can help bridge that skills gap and support those experienced workers get the qualifications and recognition they deserve for their work and fast track them into obtaining their respective qualifications.
 - The program will help assess a participants' existing skills via a recognition of prior learning process and then fill in any gaps with individualised training, with that training component being delivered free of charge. This initiative would be based off the current

NSW Government Trade Pathways for Experienced Workers program that has helped over 1,200 students gain their trade qualification.

- HIA welcomes recognition that a single policy solution will not address our chronic skills shortages in the industry, instead we need a raft of solutions to solve the skills conundrum and get all hands on deck to build the homes Australia desperately needs”.

Media Release – Can the Feds lower housing costs faster than states can increase them? – 23 April 2025

- The HIA has stated the following regarding increasing state government taxes and additional red tape on new home building.
 - “The ideal solution to increasing housing supply is to first stop governments increasing the cost of home building, such as in Victoria. Then to remove taxes, red tape and delays and reduce infrastructure costs. This will take decades to flow through to households as lower new home building costs.
 - In the short term however, the only way in which the Australian government can lower the cost of home building is through policies similar to those both parties announced last week that provide financial support to first home buyers to build new homes.
 - To achieve this outcome, substantial taxation reform is likely required to remove state government dependence on housing taxation. This should include removing the GST from new homes, as it is imposed on new homes but not on established homes, until such time as Australia builds 1.2 million homes within five years.
 - Housing is taxed less like a necessity and more like a vice, like alcohol or tobacco”.

Media Release – New home building remains at decade lows – 16 April 2025

- Following the release of the ABS building activity data for the December quarter 2024, the HIA stated “home building is currently at the bottom of a cycle and is losing skilled workers to other industry sectors, which impedes future building capacity”.
 - “Despite the low volume of new homes commencing construction, demand for skilled tradespeople remains high, just not in the new home building sector. The exceptionally low rate of unemployment, and their rare skills, see them in high demand from other industry sectors.
 - The more workers that are lost from the home building sector in this cycle, the harder and more expensive it will be to increase that capacity, as interest rates fall and activity picks up.
 - The exceptionally low level of unemployment in Australia is a double-edged sword for the industry as it creates demand for new homes and at the same time, leads to higher labour costs to build a new home.

- In the short term, the only measure that an incoming Australian Government can do to increase the supply of new homes is to offset the cost of taxes fees and charges, by providing financial support for those that build a new home.
- Whether this is done through removing the imposts, such as Lenders Mortgage Insurance or removing first home buyers from the established market and incentivising them to build a new home, can increase the supply of new homes. These are the 'easy-good' solutions to the housing shortage.
- This doesn't negate the need for the 'hard-smart' policies tackling land supply, infrastructure costs, planning regimes and delays to home building and reform of taxes on new homes.
- An investment in infrastructure, or tax reform or reducing delays, wont impact on the price or supply of housing within an election cycle, but if they are sustained over a decade, they will begin to ease the cost of a new home.
- This should not be an excuse for politicians to renege on their responsibility to address housing affordability by arresting the high cost of delivering new land and rising taxes on housing".

ATTACHMENT D: RECENT HIA SUBMISSIONS TO GOVERNMENT

HIA Submission to the Fair Work Commission Annual Wage Review 2024-25

<https://hia.com.au/our-industry/-/media/files/newsroom/submissions/2025/annual-wage-review-2024-25---040424.pdf>

HIA 2025-2026 Pre-Budget Submission: Let's Build

<https://hia.com.au/our-industry/-/media/files/newsroom/submissions/2025/hia-2025-26-pre-budget-submission.pdf>

Meeting Brief

MB24-000622

**FOR INFORMATION - Meeting Brief Request Due Office 2pm Wednesday 20 November |
Advance Cairns & Minister O'Neil**

s 22

Cost of Construction

- Building construction prices (covering residential and non-residential) have increased by 30 per cent in Australia since the onset of the pandemic. Construction costs have been driven by higher materials and labour costs and reflects a confluence of global and domestic factors.
 - The highest growth rate in new house construction costs over the past 5 years occurred in Queensland where prices increased from an average of \$312,857 in 2019-20 to \$450,612 in 2023-24 – an increase of 44 per cent.
- The increase in costs has been fuelled by the disruption of global supply chains during the COVID pandemic and the energy crisis, leading to price pressures for freight, energy and material imports.

- Further, strong demand for housing, large fiscal stimulus and lower interest rates have supported construction activity globally, while a shortage of available skilled workers has contributed to increasing labour costs.
- While global supply constraints affecting the construction industry have largely been resolved, high demand for construction projects relative to the supply of available labour, suitable skills and materials is contributing to elevated material and labour costs.
- Construction prices continue to increase in Australia, they have followed a similar trend as in New Zealand and have not risen as significantly as in the United States, where they have risen by at least 37 per cent since prior to the pandemic.

Meeting Brief

MB25-000015

FOR INFORMATION - Keynote address to the Property Council of Australia on 01 April 2025

s 22

Will the Government be able to meet the 1.2 million new homes target?

- However, recent data from the ABS shows that more homes were built in the first three months of the Accord than at the same time a year ago.
 - On a seasonally adjusted basis, 44,884 homes were built in the first three months (1 July to 30 September 2024) of the National Housing Accord.
 - The number of new homes built is up by 2.2 per cent since the same time last year, but down by 0.9 per cent from the last quarter.
 - There has also been an increase of almost 5 per cent in the number of dwellings under construction.
 - This tells us that more homes are coming and will be coming onto the market.

Meeting Brief

MB24-000667

**FOR INFORMATION - Minister O'Neil meeting with Real Estate Institute of Australia on
Wednesday 5 Feb 25**

s 22

Will the Government be able to meet the 1.2 million new homes target?

s 22

- Recent data from the ABS shows that more homes were built in the first three months of the Accord than at the same time a year ago.
 - On a seasonally adjusted basis, 44,884 homes were built in the first three months (1 July to 30 September 2024) of the National Housing Accord.
 - The number of new homes built is up by 2.2 per cent since the same time last year, but down by 0.9 per cent from the last quarter.
 - There has also been an increase of almost 5 per cent in the number of dwellings under construction.
 - This tells us that more homes are coming and will be coming onto the market.

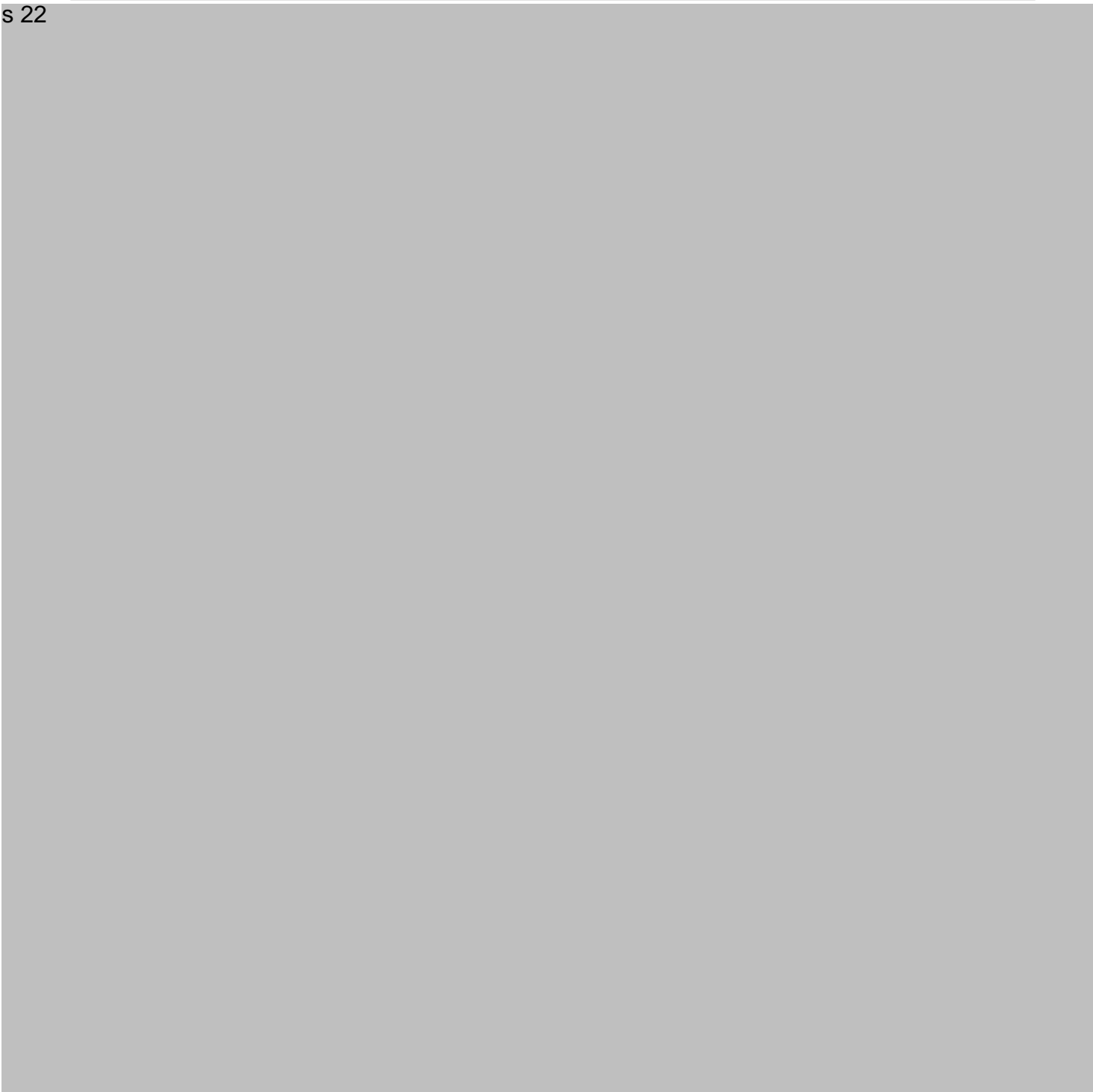
s 22

Meeting Brief

MB24-000631

FOR INFORMATION - Meeting Brief Due COB Today | ACIF Forum 25 November 2024

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ATTACHMENT C: TALKING POINTS

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- At the moment we know that the construction sector is facing a number of challenges around high costs and shortages of labour, and I also met with several representatives at a Roundtable in September who told me that you're interested in encouraging more migration and women into the sector, increasing incentives for private investors, reducing unwanted outcomes from the intersection of different state and territory policy settings and ceasing legislative change.
 - Since April 2022, corporate insolvencies in the construction sector have increased compared to pre-pandemic levels. This likely reflects higher input costs and their interaction with fixed price contracts.
 - The Government is aware that cost pressures – along with the practice of fixed price contracting – are affecting the margins of builders. We're also aware of the primary focus of business shareholders on cost containment. So it's clearly in the collective interest to find ways to keep input costs down.

s 22



- A key issue that is holding up supply is delays in construction caused by high input prices and productivity challenges. In short, we are seeing that high demand and high interest rates are making the cost of housing - and housing construction - more expensive, and this is temporarily slowing down supply.
 - Build times have increased since the pandemic as a result of supply bottlenecks and higher prices. Apartment, townhouse and detached house completion times increased nationally by 39 per cent, 34 per cent and 42 per cent respectively over the 10-year period to 2022-23.
 - Building construction prices (covering residential and non-residential) have increased by 30 per cent in Australia since the onset of the pandemic. Construction costs have been driven by higher materials and labour costs and reflects a confluence of global and domestic factors, including increased demand for housing.
 - : The highest growth rate in new house construction costs over the past 5 years occurred in Queensland where prices increased from an average of \$312,857 in 2019-20 to \$450,612 in 2023-24 – an increase of 44 per cent.
 - Construction prices continue to increase in Australia, they have followed a similar trend as in New Zealand and have not risen as significantly as in the United States, where they have risen by at least 37 per cent since prior to the pandemic.

Meeting Brief

MB25-000039

FOR INFORMATION - Minister O’Neil representing the Prime Minister at Master Builders SA Luncheon on 20 February 2025, Ian McLachlan Room, Adelaide Oval

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- Australian Bureau of Statistics data released in January 2025 shows that in the first three months of the National Housing Accord, construction started on 43,247 homes. This is below the 60,000 new homes needed per quarter to meet the target.

s 22

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ATTACHMENT B: RECENT MBA MEDIA RELEASES

Masters Builders SA Media Release: Boosting construction workforce with targeted skilled migrant tradies – 6 January 2025

- The South Australian Government is partnering with Master Builders SA to bolster the state's construction industry workforce and help deliver critical housing and public infrastructure projects.
 - *“Build Connect is funded under the South Australian Government’s Skilled Migration Talent and Industry Connection Program, which gives organisations in priority industry sectors the opportunity to unlock the potential of skilled migrants, access new talent and fill workforce shortages.*
 - *“The \$500,000 Build Connect program directly connects trade and construction skilled migrants with employers in the construction industry.*
 - *“Build Connect aims to deliver more than 200 employment outcomes through:*
 - *engaging with at least 100 employers to develop partnerships,*
 - *matching skilled migrants with suitable employment vacancies,*
 - *providing participants and partner employers with recruitment assistance, support and coordination services, and*
 - *in-person industry networking events to connect participants with potential employers, industry leaders and peers”.*

Master Builders SA Media Release: Breakthrough program to safeguard apprentices and jobs in SA – 22 November 2024

- The South Australian Government recently funded ‘Keeping Tradies on Track’ – *“a free, early-intervention MBA program that mentors vulnerable first and second year apprentices and their employers”*. Master Builders SA CEO William Frogley noted that:
 - *“Keeping Tradies on Track is a safe space for apprentices to work through the complexities of learning their trade.*
 - *There are 120 apprentices in the pilot who work in direct employer relationships who are now receiving support from this program.*
 - *Employers in our sector are often tradespeople who have evolved into business leaders and owners, so really this is the perfect opportunity to ensure they still have all the skills to set their workplace up for success”.*
- Masters Builders SA stated the following regarding construction trade apprentices:
 - *“Currently nearly 55 per cent of apprentices drop out, citing various reasons including feeling unsupported or unsure they have the skills or stamina to do the distance.*

- *SA needs to attract more than 15,000 new qualified tradies by the end of 2026 to meet the massive demand for housing, road and other infrastructure.*
- *The attrition of apprentices costs the state tens-of-millions each year in lost productivity and adds to the critical skills shortage across the sector.*
- *On the other hand, Master Builder's Group Training Organisation, which employs about 200 apprentices, enjoys a completion rate of nearly 90 per cent due to its structured training and on-the-job support.*

Media Release: Housing shortfall persists despite modest uptick in approvals – 3 February 2025

- *MBA observed that “according to the Australian Bureau of Statistics, there was a very slight increase (+0.7 per cent) in the volume of new home building approvals during December 2024”. MBA Chief Economist Shane Garrett noted that:*
 - *“In 2024, higher density approvals dropped back by 1.3 per cent, meaning 2024 was the worst year for higher density approvals since 2011.*
 - *The insufficient flow of new home building on the higher density side of the market is one of the main sources of rental price inflation.*
 - *Latest data indicate that rents rose by 6.2 per cent over the year to December 2024 – one of the biggest sources of inflationary pressure”.*

Media Release: Housing costs continue to rise despite trimmed inflation reaching target – 29 January 2025

- *Following the release of monthly inflation data from the ABS confirming that underlying inflation is below 3 per cent for the first time in three years, MBA CEO Denita Wawn noted that:*
 - *“We hope this is what the Reserve Bank is looking for to start bringing down interest rates.*
 - *Australia desperately needs to boost housing supply, and this will only be achieved when the cost of new home building starts to moderate, and project costs stack up.*
 - *Builders have been feeling the impact of prolonged high interest rates on business costs and their forward books as people are holding off investing in new projects.*
 - *It's more than just a number, the lack of housing supply is leading to rising rents, homelessness, and higher mortgages, which negatively impacts the well-being of individuals, families, and communities.*
 - *The Government is not off the hook just yet. This Federal Election we are looking for policies to make home building even more attractive including critical infrastructure investment, lower business taxes and charges, speeding up approval processes, and addressing workforce shortages”.*

Media Release: Builders respond to long-awaited apprenticeship incentive system review – 24 January 2025

- MBA welcomed the release of the *Strategic Review of the Australian Apprenticeship Incentive System*. MBA CEO Denita Wawn noted that:
 - “Labour shortages are currently the biggest handbrake on fixing the housing crisis.”
 - “Master Builders has worked closely with Dr Iain Ross AO and Ms Lisa Paul AO PSM who led the review, and we sincerely thank them for listening to the concerns of employers and the broader building and construction industry.”
 - “Employing an apprentice comes at a cost. Not just their wage, but the hours spent teaching them, covering their training costs, and managing the associated administration, and helping them navigate the workforce which all adds up.”
 - “A robust incentive system must provide assurance and minimise risk. It should mean that the employer does not shoulder the entire cost burden for the 50 per cent of apprentices who do not complete their studies.”
 - “A better incentive system should free an employer to focus on training and teaching: this is especially important in the first and second years.”
 - “Master Builders will work through the recommendations in the review and urges the Federal Government to prioritise the consultation and implementation of non-contentious recommendations as we do not have time to waste.”

Media Release: Builders applaud apprenticeship incentive boost – 24 January 2025

- Following the announcement that the new *Key Apprenticeship Program* will establish a Housing Construction Apprenticeship stream to provide eligible apprentices with \$10,000 in staged incentive payments over the life of their apprenticeship, MBA stated that the “the importance of addressing the chronic tradie shortage to be able to overcome Australia’s housing crisis” has been recognised by the Albanese Government. MBA CEO Denita Wawn noted that:
 - “Australia’s building and construction industry faces the enormous task of building enough homes, commercial premises and infrastructure to meet increasing demand and a growing population. Labour shortages are currently the biggest handbrake on fixing the housing crisis.
 - “Coupled with government funding of fee free vocational education and training, there is no better time to pick up the tools and become a tradie.
 - “The revised staggering of payments is something Master Builders Australia has long called for, so there is a financial incentive for apprentices to complete their training.
 - “Around 50 per cent of all apprentices do not complete their training – the new staged payments approach will hopefully see the rate of completions increase.
 - “Builders would like to see this payment expanded to other areas of the building and construction industry that are also facing chronic shortages and crying out for more apprentices. Without roads, rail, sewerage and water we can’t build more homes for Aussies.

- “We are disappointed that the high costs associated with hiring and training and apprentices has not been recognised as yet. 98 per cent of businesses in building and construction are small and they are doing it tough.
- “Master Builders continues to call for a robust incentive system that supports employers and minimises the risk with taking on an apprentice who may or may not complete their training.”

Media Release: Positive signs in new home construction but still a long way to go – 22 January 2025

- Following the release of the Australian Bureau of Statistics Building Activity statistics for the first three months (July to September 2024) of the National Housing Accord (Accord), MBA welcomed the strong rebound in new detached housing while noting there is a long way to go to reach the level of output required to meet the Accord target.
- MBA CEO Denita Wawn noted that performance in apartment construction will be the key to whether Australia meets the target. Apartment construction levels remain too low because the investment appetite is not there.
- She stated that: *“Low productivity, labour shortages, costly and restrictive CFMEU pattern agreements, a lack of supporting infrastructure and a high inflationary environment all contribute to project costs not stacking up. If we are going to solve the housing crisis, we need to build more apartments and make them more attractive for people to invest in – only then will we see a lowering of rental inflation and more homes for Aussies”.*

Media Release: Builders urge caution over legislating fee free TAFE – 17 January 2025

- Responding to the inquiry into the *Free TAFE Bill 2024*, MBA cautioned against legislating the policy in the absence of data and its unintended consequences.
- MBA CEO Denita Wawn noted that free TAFE initiatives unfairly distort the market towards TAFE-delivered courses over industry-led providers.
- She said that MBA had not seen the free TAFE policy bring more people into building and construction apprenticeships and that the proposed Bill is anti-competitive. If the Government does seek to pass the Bill, it must be amended to include not-for-profit industry-run registered training organisations.
- She also stated that: *“this Federal Election, we are looking at all parties for practical and evidence-based solutions to labour shortages in the industry which is crucial to addressing the housing crisis”.*

ATTACHMENT C: RECENT MBA SUBMISSIONS TO GOVERNMENT

MBA opening statement Senate Education and Employment Legislation Committee – Free TAFE Bill 2024

[Opening Statement Senate Education and Employment Legislation Committee – Free TAFE Bill 2024 – Master Builders Australia](#)

MBA submission to the Independent Statutory Review of the Fair Work Amendment (Secure Jobs, Better Pay) Act 2022

[Submission to the Independent Statutory Review of the Fair Work Amendment \(Secure Jobs, Better Pay\) Act 2022 – Master Builders Australia](#)

MBA submission to inquiry into Australia's financial regulatory framework and home ownership to the Senate Economics References Committee

[Submission to inquiry into Australia's financial regulatory framework and home ownership – Master Builders Australia](#)

MBA submission to Australian Building Codes Board (ABCB) on the Principles and scope of a Building Product Registration Scheme

[Submission on the Principles and scope of a Building Product Registration Scheme – Master Builders Australia](#)

MBA 2024-25 Pre-Budget Submission

<https://consult.treasury.gov.au/pre-budget-submissions/download/fil2daad86c70c67905339d8>

Meeting Brief

MB25-000018

FOR INFORMATION - Minister O’Neil meeting with FBR’s CEO, Mike Pivac, and the CFO, Rowan Caren on 6 February 2025

s 22



- Australian Bureau of Statistics data released in January 2025 shows that in the first three months of the National Housing Accord, construction started on 43,247 homes. This is below the 60,000 new homes needed per quarter to meet the Accord target.

Meeting Brief

MB25-000089

FOR INFORMATION – Meetings with state and territory Housing Ministers

s 22

Attachment B - Queensland state summary and opportunities to raise delivery priorities

Program	Outcomes to date	Status and opportunities for intervention
Social and affordable housing		
Social Housing Accelerator Payment	Total funding provided to Queensland was \$398.3 million to deliver 600 additional social homes. As of December 2024, 30 homes were completed, 142 were under construction and 43 had been committed (contracts signed).	
Housing supply and infrastructure		
National Housing Accord	Queensland's share of the housing accord target is 246,000 of the total 1,200,000 homes.	Seek support from state to continue to progress initiatives to boost supply. The State of the Housing System 2025 forecasts Queensland will supply 194,000 homes from 2024-25 to 2028-29.

Attachment C - New South Wales summary and opportunities to raise delivery priorities

Program	Outcomes to date	Status and opportunities for intervention
Social and affordable housing		
s 22		
Social Housing Accelerator Payment	Total funding provided to New South Wales was \$610.1 million to deliver 1500 additional social homes. As of December 2024, 424 homes were completed 535 were under construction and 143 had been committed (contracts signed).	s 22
s 22		
Housing supply and infrastructure		
National Housing Accord	New South Wales share of the housing accord target is 376,000 of the total 1,200,000 homes.	Seek support from New South Wales to continue to progress initiative to boost supply. The state of the Housing System 2025 forecasts New South Wales will supply 246,000 homes from 2024-25 to 2028-29.

s 22

Attachment D – Australian Capital Territory (ACT) state summary and opportunities to raise delivery priorities

Program	Outcomes to date	Status and opportunities for intervention
Social and affordable housing		
s 22		
Social Housing Accelerator Payment	Total funding provided to the ACT was \$50 million to deliver 55 to 65 additional social homes. As of December 2024, 0 homes were completed, 17 were under construction and had been 0 committed (contracts signed).	s 22
s 22		
Housing supply and infrastructure		
National Housing Accord	ACT's share of the housing accord target is 21,000 of the total 1,200,000 homes.	Seek support from state to continue to progress initiatives to boost supply. The State of the Housing System 2025 forecasts ACT will supply 16,000 homes from 2024-25 to 2028-29.

s 22

Attachment E - Victoria state summary and opportunities to raise delivery priorities

Program	Outcomes to date	Status and opportunities for intervention
Social and affordable housing		
Social Housing Accelerator Payment	Total funding provided to Victoria was \$496.5 million. To deliver between 692 and 769 homes. As of December 2024, 62 homes were completed, 90 were under construction and 0 had been committed (contracts signed). Victoria is currently in the final stages of a large tender for Elgin Towers, which will significantly add to the number of committed homes.	
Housing supply and infrastructure		
National Housing Accord	Victoria's share of the housing accord target is 306,000 of the total 1,200,000 homes.	Seek support from state to continue to progress initiatives to boost supply. The State of the Housing System 2025 forecasts Victoria will supply 300,000 homes from 2024-25 to 2028-29.

Attachment F - Tasmania state summary and opportunities to raise delivery priorities

Program	Outcomes to date	Status and opportunities for intervention
Social and affordable housing		
s 22		
Social Housing Accelerator Payment	Total funding provided to Tasmania was \$50 million to deliver 116 additional social homes. As of December 2024, 0 were completed, 8 were under construction and 108 had been committed (contracts signed).	s 22
s 22		
Housing supply and infrastructure		
National Housing Accord	Tasmania’s share of the housing accord target is 26,000 of the total 1.200.000 homes.	Seek support from state to continue to progress initiatives to boost supply. The State of the Housing System 2025 forecasts Tasmania will supply 26,000 homes from 2024-25 to 2028-29.

s 22

Attachment G – South Australia state summary and opportunities to raise delivery priorities

Program	Outcomes to date	Status and opportunities for intervention
Social and affordable housing		
s 22		
Social Housing Accelerator Payment	Total funding provided to South Australia was \$135.8 million to deliver 230 additional social homes (this number is set to be updated following South Australia’s competitive bidding process). As of 313 December 2024, 0 homes were completed, 50 were under construction and 269 were committed (contracts signed).	s 22
s 22		
Housing supply and infrastructure		
National Housing Accord	South Australia’s share of the housing accord target is 84,000 of the total 1,200,000 homes	Seek support from South Australia to continue to progress initiatives to boost supply. The State of the Housing System 2025 forecasts South Australia will supply 59,000 from 2024-25 to 2028-29.
s 22		

Attachment H – Western Australia state summary and opportunities to raise delivery priorities

Program	Outcomes to date	Status and opportunities for intervention
Social and affordable housing		
s 22		
Social Housing Accelerator Payment	Total funding provided to Western Australia was \$209.2 million to deliver 598 additional social homes. As of December 2024, 104 homes were completed, 160 were under construction and 302 had been committed (contracts signed).	s 22
s 22		
Housing supply and infrastructure		
National Housing Accord	Western Australia agreed to the National Housing Accord target of 1.2 million new homes over five years. Western Australia’s share of the housing accord target is 129,000 of the total 1,200,000 homes.	Seek support from Western Australia to continue to progress initiatives to boost supply. The State of the Housing System 2025 forecasts Western Australia will supply 105,000 homes from 2024-25 to 2028-29.
s 22		

Attachment I - Northern Territory state summary and opportunities to raise delivery priorities

Program	Outcomes to date	Status and opportunities for intervention
Social and affordable housing		
Social Housing Accelerator Payment	Total funding provided to Northern Territory was \$50 million to deliver 100 additional homes. As of December 2024, 0 homes were completed, 17 were under construction and 0 were committed (contracts signed).	
Housing supply and infrastructure		
National Housing Accord	Northern Territory's share of the housing accord target is 11,000 of the total 1,200,000 homes.	Seek support from the Northern Territory to continue to progress initiatives to boost supply. The State of the Housing System 2025 forecasts Northern Territory will supply 4,000 homes from 2024-25 to 2028-29.

Meeting Brief

MB25-000011

FOR INFORMATION - Minister O’Neil meeting with the Global CEO and Regional Managing Director of Multiplex on Thursday 16 January 2025

s 22

ATTACHMENT B: Q&A

What are the economic conditions in the construction sector?

- After a period of weakness, dwelling investment has started to grow again and this is expected to continue over the forecast period.
 - Dwelling investment contracted in 2023–24, with construction and financing costs and labour constraints weighing on the sector’s capacity to progress new builds.
 - Dwelling investment is forecast to grow 1 per cent in 2024–25 and at 5 per cent in 2025–26. Robust demand for housing, together with an expected easing of both monetary policy and construction costs, is likely to support an expansion in the sector.
- A key issue that is holding up supply is delays in construction caused by high input prices and productivity challenges. High demand and high interest rates are making the cost of housing - and housing construction - more expensive, and this is temporarily slowing down supply.
 - Build times have increased since the pandemic as a result of supply bottlenecks and higher prices. Apartment, townhouse and detached house completion times increased nationally by 39 per cent, 34 per cent and 42 per cent respectively over the 10-year period to 2022 23.
 - Building construction prices (covering residential and non-residential) have increased by 30 per cent in Australia since the onset of the pandemic. Construction costs have been driven by higher materials and labour costs and reflects a confluence of global and domestic factors, including increased demand for housing.
- Elevated labour, raw materials and financing costs are adversely affecting developer margins and constraining activity, particularly in high-density dwellings.
 - Since April 2022, corporate insolvencies in the construction sector have increased compared to pre-pandemic levels. This likely reflects higher input costs and their interaction with fixed price contracts.
 - Cost pressures – along with the practice of fixed price contracting – are affecting the margins of builders, while the primary focus of business shareholders is on cost containment.
- Growth in dwelling investment will expand the supply of new homes, which will be assisted by the Government’s \$32 billion housing plan.