National Housing Finance and Investment Corporation

Entity resources and planned performance

National Housing Finance and Investment Corporation

[Section 1: Entity overview and resources 295](#_Toc133937237)

[1.1 Strategic direction statement 295](#_Toc133937238)

[1.2 Entity resource statement 297](#_Toc133937239)

[1.3 Budget measures 298](#_Toc133937240)

[Section 2: Outcomes and planned performance 299](#_Toc133937241)

[2.1 Budgeted expenses and performance for Outcome 1 300](#_Toc133937242)

[Section 3: Budgeted financial statements 303](#_Toc133937243)

[3.1 Budgeted financial statements 303](#_Toc133937244)

[3.2 Budgeted financial statements tables 304](#_Toc133937245)

# National Housing Finance and Investment Corporation

## Section 1: Entity overview and resources

### 1.1 Strategic direction statement

The National Housing Finance and Investment Corporation (NHFIC) was established for the purpose of improving housing outcomes for Australians by:

* strengthening efforts to increase the supply of housing
* encouraging investment in housing, particularly in the social or affordable housing sector
* providing finance, grants or investments that complement, leverage or support Commonwealth, state or territory activities relating to housing
* contributing to the development of the scale, efficiency and effectiveness of the community housing sector in Australia
* assisting earlier access to the housing market by eligible home buyers and by single parents or legal guardians with dependents.

NHFIC is a corporate Commonwealth entity operating under the provisions of the *National Housing Finance and Investment Corporation Act 2018* (NHFIC Act), the National Housing Finance and Investment Corporation Investment Mandate Direction 2018 (Investment Mandate) and the *Public Governance, Performance and Accountability Act 2013* (PGPA Act).

NHFIC’s main functions include operating the Affordable Housing Bond Aggregator (AHBA) which is self‑funding and is classified as a Public Financial Corporation (PFC), the National Housing Infrastructure Facility (NHIF) and the Home Guarantee Scheme (HGS) which are both part of the General Government Sector (GGS).

The Government in the 2022 October Federal Budget announced the expanded role of NHFIC and the proposal for it to transition to Housing Australia. The expanded remit requires Housing Australia to deliver the Australian Government’s social and affordable housing programs. The legislation, which is currently before the Parliament, includes new functions for the administration of the revenue allocated to Housing Australia under the proposed Housing Australia Future Fund and the administration of the Help to Buy scheme.

NHFIC will continue to undertake preparatory work to assist the Government with the design of a program to disburse Housing Australia Future Fund revenue to support the delivery of 30,000 new social and affordable dwellings over 5 years. This work will ensure the entity is well placed to deliver on the commitments whilst acknowledging the program is subject to the passage of legislation.

The entity intends to publish a Portfolio Budget Statement from 2023–24 given its material entity status and responsibility for primary delivery of the Government’s Housing Australia Future Fund including the proposed increase in the entity’s resourcing through the General Government Sector (GGS).

### 1.2 Entity resource statement

Table 1.1 shows the total funding from all sources available to the entity for its operations and to deliver programs and services on behalf of the Government.

The table summarises how resources will be applied by outcome (government strategic policy objectives) and by administered (on behalf of the Government or the public) and departmental (for the entity’s operations) classification.

For more detailed information on special accounts and special appropriations, please refer to the *Budget Paper No. 4 – Agency Resourcing*.

Information in this table is presented on a resourcing (that is, appropriations/cash available) basis, whilst the ‘Budgeted expenses by Outcome 1’ tables in Section 2 and the financial statements in Section 3 are presented on an accrual basis.

Table 1.1: National Housing Finance and Investment Corporation resource statement – Budget estimates for 2023–24 as at Budget May 2023

|  |  |  |
| --- | --- | --- |
|  | *2022‑23 Estimated actual $’000* | 2023‑24 Estimate  $’000 |
| **Opening balance/cash reserves at 1 July** | *18,631* | 56,205 |
| **Funds from Government** |  |  |
| Amounts received from related entities |  |  |
| Amounts from portfolio department (a) | *43,899* | 39,690 |
| Total amounts received from related entities | *43,899* | 39,690 |
| **Total funds from Government** | ***43,899*** | **39,690** |
| **Funds from other sources** |  |  |
| Interest | *25,873* | 34,670 |
| Other | *202* | 1,202 |
| **Total funds from other sources** | ***26,075*** | **35,872** |
| **Total resourcing for the National Housing Finance and Investment Corporation** | ***88,605*** | **131,767** |
|  |  |  |
|  | *2022‑23* | 2023‑24 |
| **Average staffing level (number)** | *26* | 133 |

1. Funding provided by the portfolio department that is not specified within the Annual Appropriation Bills as a payment to the CCE (for example, a grant awarded to a CCE from one of its portfolio department’s administered programs). 2022–23 Estimated actual includes $35 million of funding provided for making National Housing Infrastructure Facility (NHIF) grants.

### 1.3 Budget measures

The National Housing Finance and Investment Corporation will work with the Treasury to implement the measure Increasing the Supply of Social and Affordable Housing and Making it Easier to Buy a Home.

## 

## Section 2: Outcomes and planned performance

Government outcomes are the intended results, impacts or consequences of actions by the Government on the Australian community. Commonwealth programs are the primary vehicle by which government entities achieve the intended results of their outcome statements. Entities are required to identify the programs which contribute to government outcomes over the Budget and forward years.

NHFIC’s outcome is described below together with its related programs. The following provides detailed information on expenses for each outcome and program, further broken down by funding source.

|  |
| --- |
| Note:  Performance reporting requirements in the Portfolio Budget Statements are part of the Commonwealth Performance Framework established by the *Public Governance, Performance and Accountability Act 2013*. It is anticipated that the performance measure described in Portfolio Budget Statements will be read with broader information provided in an entity’s Corporate Plans and annual performance statements – included in Annual Reports – to provide a complete picture of an entity’s planned and actual performance.  The most recent Corporate Plan for NHFIC can be found at: ([https://www.nhfic.gov.au/reports‑and‑publications](https://www.nhfic.gov.au/reports-and-publications)).  The most recent annual performance statement can be found at: ([https://www.nhfic.gov.au/reports‑and‑publications](https://www.nhfic.gov.au/reports-and-publications)). |

### 2.1 Budgeted expenses and performance for Outcome 1

|  |
| --- |
| Outcome 1: Improved housing outcomes for Australians, including through financial and other assistance to improve the efficiency and scale of the community housing sector and increase the supply of social and affordable housing, as well as support for eligible home buyers to access the housing market sooner. |

#### Budgeted expenses for Outcome 1

This table shows how much the entity intends to spend (on an accrual basis) on achieving the outcome.

Table 2.1.1: Budgeted expenses for Outcome 1

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | 2022-23 Estimated actual $'000 | 2023-24 Budget  $'000 | 2024-25 Forward estimate $'000 | 2025-26 Forward estimate $'000 | 2026-27 Forward estimate $'000 |
| **Program 1.1: National Housing Finance and Investment Corporation** | | | | | |
| Revenue from Government |  |  |  |  |  |
| Payment from Treasury | 19,604 | 39,690 | 37,362 | 37,210 | 37,648 |
| Expenses not requiring  appropriation in the budget year (a) | 6,129 | 32,484 | 49,667 | 40,327 | 22,485 |
| Revenues from other independent  sources | - | 19,720 | 28,265 | 24,821 | 36,560 |
| **Total expenses for Program 1.1** | **25,733** | **91,894** | **115,294** | **102,358** | **96,693** |
| **Total expenses for Outcome 1** | **25,733** | **91,894** | **115,294** | **102,358** | **96,693** |
|  |  |  |  |  |  |
|  | 2022-23 | 2023-24 |  |  |  |
| **Average staffing level (number)** | 26 | 133 |  |  |  |

Expenses not requiring appropriation in the Budget year are made up of NHIF grants funded from payments received from Treasury in prior years.

Table 2.1.2: Performance measure for Outcome 1

Table 2.1.2 details the performance measures for each program associated with Outcome 1. It also provides the related key activities as expressed in the current Corporate Plan where further detail is provided about the delivery of the activities related to the program, the context in which these activities are delivered and how the performance of these activities will be measured. Where relevant, details of the 2023–24 Budget measures that have created new programs or materially changed existing programs are provided.

|  |  |  |
| --- | --- | --- |
| **Outcome 1** – Improved housing outcomes for Australians, including through financial and other assistance to improve the efficiency and scale of the community housing sector and increase the supply of social and affordable housing, as well as support for eligible home buyers to access the housing market sooner. | | |
| Program 1.1- National Housing Investment Finance Corporation (NHFIC) | | |
| Key Activities (a) | * Operation of National Housing Infrastructure Facility (NHIF) (a)   + Proactively engage with stakeholders to identify and prioritise infrastructure or social or affordable housing projects   + Expand NHIF portfolio through eligible borrowers and active pipeline engagement and management   + Manage NHIF loans to be consistent with the requirements of the Investment Mandate. * Operation of Home Guarantee Scheme (HGS) (a)   + Facilitate the release of guarantees to participating lenders each financial year from 1 July and any rolled over guarantees from the previous financial year as directed by the Minister.   + Work collaboratively with participating lenders to encourage the embedding of Scheme requirements into operational processes and customer interactions.   + Continue to develop data infrastructure and capability for enhanced portfolio management and reporting.   + Appoint one or two additional major bank/s to the panel of participating lenders in 2022–23 consistent with the Board approved strategy. * Operation of the Housing Australia Future Fund (b) * Operation of Help to Buy | |
| Year | Performance measures | Expected performance results |
| Current Year  2022‑23 | New NHIF facilities (loans, grants and equity investments) approved by NHFIC Board. | Target: $100m – $300m |
| Number of NHIF applications received. | Target: 7 |
| Turnaround time from receipt of NHIF application to NHFIC Board approval. | Target: 60 days |
| Facilitate the release of guarantees to participating lenders: |  |
| * First Home Guarantee | Target: 35,000 |
| * Family Home Guarantee | Target: 5,000 |
| * Regional First Home Buyer Guarantee | Target: 10,000 |

Table 2.1.2: Performance measure for Outcome 1 (continued)

|  |  |  |
| --- | --- | --- |
| Year | Performance measures | Expected performance results |
| Current Year  2022‑23  (continued) | Receipt of lender audit reviews and lender 6‑monthly reporting of material policy changes. | Target: 100 per cent |
| Research delivered according to Board approved pipeline including scope and timeframe. | Target: 100 |
| Satisfaction with research output. | Target: Stakeholders satisfied |
| Year | Performance measures | Planned performance results |
| Budget Year  2023‑24 | New NHIF facilities (loans, grants and equity investments) approved by NHFIC Board | Target: $100m – $300m |
| Number of NHIF applications received | Target: 10 |
| Turnaround time from receipt of NHIF application to NHFIC Board approval | Target: 60 days |
| Facilitate the release of guarantees to participating lenders: |  |
| * First Home Buyers Guarantee (FHBG) | Target: 35,000 |
| * First Home Guarantee (FHG) | Target: 5,000 |
| * Regional First Home Buyers Guarantee (RFHBG) | Target: 10,000 |
| Receipt of lender audit reviews and lender 6‑monthly reporting of material policy changes | Target: 100 per cent |
| Forward Estimates  2024‑27 | *As per 2023‑24* | *As per 2023‑24 except for FHG and RFHBG which ceases in 2024‑25* |

1. Key activities are consistent with NHFIC’s 2022–23 Corporate Plan.
2. New performance measures that reflect new programs are shown in italics. Establishment of new key activities is contingent on passage of legislation. The performance criteria for the new key activities will be developed and reported in the 2023–24 Corporate Plan. NHFIC’s PFC function the Affordable Housing Bond Aggregator (AHBA) contributes to the entity achieving Outcome 1 has not been included in the performance measures as it is a self‑funded program through external revenue.

## Section 3: Budgeted financial statements

Section 3 presents budgeted financial statements which provide a comprehensive snapshot of entity finances for the 2023–24 budget year, including the impact of budget measures and resourcing on financial statements.

### 3.1 Budgeted financial statements

#### 3.1.1 Differences between entity resourcing and financial statements

There are no material differences between entity resourcing and financial statements.

#### 3.1.2 Explanatory notes and analysis of budgeted financial statements

NHFIC is budgeting an operating loss in 2023–24 of $11.7 million. The operating loss does not impact the entity’s financial sustainability and is a result of timing differences between receipt of NHIF grant funding from prior year budgets and NHIF grants being made in 2023–24 of $32.5 million.

NHFIC has received funding from Government for $175 million in NHIF funding for grants from 2018–19 to 2022–23 which have not been fully disbursed.

Total operating revenue for 2023–24 is estimated at $80.1 million while expenditure including NHIF grants made is estimated to be $91.9 million.

NHFIC’s balance sheet (Table 3.2) net assets as of 30 June 2024 is expected to be $997.7 million. NHFIC’s assets are mainly financial assets consisting of concessional loan receivables, investments and cash.

The financial statements have been prepared on Australian Accounting Standards basis.

### 3.2 Budgeted financial statements tables

Table 3.1: Comprehensive income statement (showing net cost of services) for the period ended 30 June

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | 2022-23 Estimated actual $'000 | 2023-24 Budget  $'000 | 2024-25 Forward estimate $'000 | 2025-26 Forward estimate $'000 | 2026-27 Forward estimate $'000 |
| **EXPENSES** |  |  |  |  |  |
| Employee benefits | 6,210 | 21,723 | 25,137 | 26,083 | 26,484 |
| Suppliers | 12,017 | 21,306 | 15,918 | 15,006 | 15,302 |
| Grants | 6,129 | 32,484 | 49,667 | 40,327 | 22,485 |
| Depreciation and amortisation | 352 | 178 | - | - | - |
| Finance costs | 704 | 11,374 | 20,614 | 12,347 | 16,309 |
| Write-down and impairment of assets | 119 | 866 | 366 | 274 | (168) |
| Other expenses | 202 | 3,963 | 3,592 | 8,321 | 16,281 |
| **Total expenses** | **25,733** | **91,894** | **115,294** | **102,358** | **96,693** |
| **LESS:** |  |  |  |  |  |
| **OWN-SOURCE INCOME** |  |  |  |  |  |
| **Own-source revenue** |  |  |  |  |  |
| Interest | 26,435 | 34,670 | 37,303 | 40,747 | 43,513 |
| Other | 551 | 5,792 | 10,646 | 13,604 | 20,856 |
| **Total own-source revenue** | **26,986** | **40,462** | **47,949** | **54,351** | **64,369** |
| **Total own-source income** | **26,986** | **40,462** | **47,949** | **54,351** | **64,369** |
| **Net (cost of)/contribution by  services** | **1,253** | **(51,432)** | **(67,345)** | **(48,007)** | **(32,324)** |
| Revenue from Government | 49,090 | 39,690 | 37,362 | 37,210 | 37,648 |
| **Surplus/(deficit) attributable to the  Australian Government** | **50,343** | **(11,742)** | **(29,983)** | **(10,797)** | **5,324** |
| **Total comprehensive income/(loss)** | **50,343** | **(11,742)** | **(29,983)** | **(10,797)** | **5,324** |
| **Total comprehensive income/(loss)  attributable to the Australian  Government** | **50,343** | **(11,742)** | **(29,983)** | **(10,797)** | **5,324** |

Prepared on Australian Accounting Standards basis.

Table 3.2: Budgeted departmental balance sheet (as at 30 June)

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | 2022-23 Estimated actual $'000 | 2023-24 Budget  $'000 | 2024-25 Forward estimate $'000 | 2025-26 Forward estimate $'000 | 2026-27 Forward estimate $'000 |
| **ASSETS** |  |  |  |  |  |
| **Financial assets** |  |  |  |  |  |
| Cash and cash equivalents | 56,205 | 53,507 | 53,619 | 53,730 | 53,843 |
| Trade and other receivables | 78,217 | 240,119 | 530,823 | 696,314 | 727,843 |
| Other investments | 878,542 | 707,698 | 386,868 | 210,437 | 184,087 |
| Other financial assets | 8 | 8 | 8 | 8 | 8 |
| ***Total financial assets*** | ***1,012,972*** | ***1,001,332*** | ***971,318*** | ***960,489*** | ***965,781*** |
| **Non-financial assets** |  |  |  |  |  |
| Intangibles | 178 | - | - | - | - |
| ***Total non-financial assets*** | ***178*** | ***-*** | ***-*** | ***-*** | ***-*** |
| **Total assets** | **1,013,150** | **1,001,332** | **971,318** | **960,489** | **965,781** |
| **LIABILITIES** |  |  |  |  |  |
| **Payables** |  |  |  |  |  |
| Other payables | 3,304 | 3,304 | 3,304 | 3,304 | 3,304 |
| ***Total payables*** | ***3,304*** | ***3,304*** | ***3,304*** | ***3,304*** | ***3,304*** |
| **Provisions** |  |  |  |  |  |
| Employee provisions | 315 | 239 | 208 | 176 | 144 |
| Other provisions | 125 | 125 | 125 | 125 | 125 |
| ***Total provisions*** | ***440*** | ***364*** | ***333*** | ***301*** | ***269*** |
| **Total liabilities** | **3,744** | **3,668** | **3,637** | **3,605** | **3,573** |
| **Net assets** | **1,009,406** | **997,664** | **967,681** | **956,884** | **962,208** |
| **EQUITY\*** |  |  |  |  |  |
| **Parent entity interest** |  |  |  |  |  |
| Contributed equity | 825,000 | 825,000 | 825,000 | 825,000 | 825,000 |
| Reserves | - | - | - | - | - |
| Retained surplus (accumulated  deficit) | 184,406 | 172,664 | 142,681 | 131,884 | 137,208 |
| ***Total parent entity interest*** | ***1,009,406*** | ***997,664*** | ***967,681*** | ***956,884*** | ***962,208*** |
| **Total equity** | **1,009,406** | **997,664** | **967,681** | **956,884** | **962,208** |

Prepared on Australian Accounting Standards basis.

\*’Equity’ is the residual interest in assets after deduction of liabilities.

Table 3.3: Departmental statement of changes in equity – summary of movement (Budget year 2023–24)

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | Retained earnings  $'000 | Asset revaluation reserve $'000 | Contributed equity/ capital $'000 | Total equity   $'000 |
| **Opening balance as at 1 July 2023** |  |  |  |  |
| Balance carried forward from  previous period | 184,406 | - | 825,000 | 1,009,406 |
| ***Adjusted opening balance*** | ***184,406*** | ***-*** | ***825,000*** | ***1,009,406*** |
| **Comprehensive income** |  |  |  |  |
| Surplus/(deficit) for the period | (11,742) | - | - | (11,742) |
| ***Total comprehensive income*** | ***(11,742)*** | ***-*** | ***-*** | ***(11,742)*** |
| ***Sub-total transactions with  owners*** | ***172,664*** | ***-*** | ***825,000*** | ***997,664*** |
| **Estimated closing balance as at  30 June 2024** | **172,664** | **-** | **825,000** | **997,664** |
| **Closing balance attributable to  the Australian Government** | **172,664** | **-** | **825,000** | **997,664** |

Prepared on Australian Accounting Standards basis.

Table 3.4: Budgeted departmental statement of cash flows (for the period ended 30 June)

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | 2022-23 Estimated actual $'000 | 2023-24 Budget  $'000 | 2024-25 Forward estimate $'000 | 2025-26 Forward estimate $'000 | 2026-27 Forward estimate $'000 |
| **OPERATING ACTIVITIES** |  |  |  |  |  |
| **Cash received** |  |  |  |  |  |
| Receipts from Government | 49,090 | 39,690 | 37,362 | 37,210 | 37,648 |
| Interest | 26,997 | 34,670 | 37,303 | 40,747 | 43,513 |
| Net GST received | (4) | (5) | (3) | (6) | (5) |
| Other | 202 | 1,202 | 3,587 | 8,325 | 16,285 |
| ***Total cash received*** | ***76,285*** | ***75,557*** | ***78,249*** | ***86,276*** | ***97,441*** |
| **Cash used** |  |  |  |  |  |
| Employees | 6,209 | 21,799 | 25,168 | 26,115 | 26,516 |
| Suppliers | 12,017 | 21,306 | 15,918 | 15,006 | 15,302 |
| Other | 6,331 | 36,447 | 53,259 | 48,648 | 38,766 |
| ***Total cash used*** | ***24,557*** | ***79,552*** | ***94,345*** | ***89,769*** | ***80,584*** |
| **Net cash from/(used by)  operating activities** | **51,728** | **(3,995)** | **(16,096)** | **(3,493)** | **16,857** |
| **INVESTING ACTIVITIES** |  |  |  |  |  |
| **Cash received** |  |  |  |  |  |
| Proceeds from sales of financial  instruments | 1,559,700 | 1,724,700 | 1,553,856 | 1,233,026 | 1,056,595 |
| Other | - | 21,135 | 422,526 | 80,253 | 254,892 |
| ***Total cash received*** | ***1,559,700*** | ***1,745,835*** | ***1,976,382*** | ***1,313,279*** | ***1,311,487*** |
| **Cash used** |  |  |  |  |  |
| Purchase of financial instruments | 1,724,700 | 1,553,856 | 1,233,026 | 1,056,595 | 1,030,246 |
| Other | 14,154 | 190,682 | 727,148 | 253,080 | 297,985 |
| ***Total cash used*** | ***1,738,854*** | ***1,744,538*** | ***1,960,174*** | ***1,309,675*** | ***1,328,231*** |
| **Net cash from/(used by)  investing activities** | **(179,154)** | **1,297** | **16,208** | **3,604** | **(16,744)** |
| **FINANCING ACTIVITIES** |  |  |  |  |  |
| **Cash received** |  |  |  |  |  |
| Contributed equity | 165,000 | - | - | - | - |
| ***Total cash received*** | ***165,000*** | ***-*** | ***-*** | ***-*** | ***-*** |
| **Net cash from/(used by)  financing activities** | **165,000** | **-** | **-** | **-** | **-** |
| **Net increase/(decrease) in cash  held** | **37,574** | **(2,698)** | **112** | **111** | **113** |
| Cash and cash equivalents at the  beginning of the reporting period | 18,631 | 56,205 | 53,507 | 53,619 | 53,730 |
| **Cash and cash equivalents at  the end of the reporting period** | 56,205 | 53,507 | 53,619 | 53,730 | 53,843 |

Prepared on Australian Accounting Standards basis.

Table 3.5: Statement of departmental asset movements (Budget year 2023–24)

|  |  |  |
| --- | --- | --- |
|  | Computer software and intangibles $'000 | Total    $'000 |
| **As at 1 July 2023** |  |  |
| Gross book value | 1,409 | 1,409 |
| Accumulated depreciation/amortisation and impairment | (1,231) | (1,231) |
| **Opening net book balance** | **178** | **178** |
| **Other movements** |  |  |
| Depreciation/amortisation expense | (178) | (178) |
| **Total other movements** | **(178)** | **(178)** |
| **As at 30 June 2024** |  |  |
| Gross book value | 1,409 | 1,409 |
| Accumulated depreciation / amortisation and impairment | (1,409) | (1,409) |
| **Closing net book balance** | **-** | **-** |

Prepared on Australian Accounting Standards basis.