



# Budget 2017

## Reducing Pressure on Housing Affordability

# National Housing Infrastructure Facility

The Government is establishing a \$1 billion National Housing Infrastructure Facility (NHIF) that will finance the critical infrastructure needed to speed up the supply of new housing.

### The issue

The high costs of building critical infrastructure such as roads and water networks, faced by local governments, can delay the commencement of developments and slow the supply of new homes. Early investment is critical to speeding up the supply of new housing.

### The details

The NHIF will provide \$1 billion over 5 years to support local governments through a range of options to finance critical infrastructure such as:

- transport links;
- power and water infrastructure; and
- site remediation works.

The NHIF will help local governments address infrastructure bottlenecks that impede development and build the infrastructure needed to speed up the supply of new housing.

#### Assistance provided to local governments

The \$1 billion NHIF will provide local governments the opportunity to access up to:

- \$600 million in concessional loans;
- \$225 million in equity investments; and
- \$175 million in grants.

Payments will be made to local governments through State and Territory governments.

#### Structure and governance

The NHIF will be administered by the National Housing Finance and Investment Corporation (NHFIC). The NHFIC will also operate an affordable housing bond aggregator to encourage greater private and institutional investment and provide cheaper and longer-term finance to registered providers of affordable housing (see fact sheet 1.8).

The Government will be able to direct the NHIF to invest in particular projects where this addresses a significant housing supply issue.

#### Timeframe for local government applications

From 1 July 2018 the NHIF will assess applications for financial assistance from local governments.

Applications will be assessed by the independent Board of the National Housing Finance and Investment Corporation.

Further details on the eligibility criteria for financial assistance and other requirements will be informed through consultations.